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LC002168/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL
YEAR ENDING JUNE 30, 2016

Introduced By: Representative Raymond E. Gallison

Date Introduced: March 13, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1.....RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2016
- 2 ARTICLE 2.....RELATING TO DEBT MANAGEMENT
- 3 ARTICLE 3.....RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE SPACE AND
- 4 OPERATING SPACE
- 5 ARTICLE 4.....RELATING TO DIVISION OF MOTOR VEHICLES
- 6 ARTICLE 5THE REINVENTING MEDICAID ACT OF 2015
- 7 ARTICLE 6RELATING TO EDUCATION
- 8 ARTICLE 7.....RELATING TO HIGHER EDUCATION ASSISTANCE AUTHORITY
- 9 ARTICLE 8.....RELATING TO MUNICIPALITIES
- 10 ARTICLE 9.....RELATING TO SCHOOL BUILDING AUTHORITY CAPITAL FUND
- 11 ARTICLE 10 ...RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF
- 12 FY 2015
- 13 ARTICLE 11....RELATING TO REVENUES
- 14 ARTICLE 12....RELATING TO STATE POLICE PENSIONS
- 15 ARTICLE 13....RELATING TO BUDGET ACCOUNTS
- 16 ARTICLE 14....RELATING TO INFRASTRUCTURE BANK
- 17 ARTICLE 15....RELATING TO GOVERNMENT ORGANIZATION
- 18 ARTICLE 16....RELATING TO BAYS, RIVERS AND WATERSHEDS

- 1 ARTICLE 17....RELATING TO HUMAN SERVICES -- CHILD CARE--STATE SUBSIDIES
- 2 ARTICLE 18 ...RELATING TO HEALTH REFORM ASSESSMENT AND HEALTH
- 3 BENEFIT EXCHANGE
- 4 ARTICLE 19....RELATING TO COMMERCE CORPORATION AND ECONOMIC
- 5 DEVELOPMENT
- 6 ARTICLE 20....RELATING TO PROFESSIONAL LICENSES
- 7 ARTICLE 21....RELATING TO PENSIONS
- 8 ARTICLE 22 ...RELATING TO EFFECTIVE DATE

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ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2016

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, 2016. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

Administration

Central Management

General Revenues		2,806,924
Office of Digital Excellence		984,019
Total – Central Management		3,790,943
<i>Legal Services</i> General Revenues		2,166,696
<i>Accounts and Control</i> General Revenues		4,080,143
<i>Office of Management and Budget</i> General Revenues		4,146,713

Purchasing

General Revenues		2,764,921
Other Funds		320,487
Total – Purchasing		3,085,408

Auditing General Revenues

1,476,262

Human Resources

General Revenues		7,679,763
Federal Funds		800,576
Restricted Receipts		489,333
Other Funds		1,401,403
Total – Human Resources		10,371,075

1	<i>Personnel Appeal Board</i> General Revenues	119,874
2	<i>Facilities Management</i>	
3	General Revenues	32,172,352
4	Federal Funds	1,208,674
5	Restricted Receipts	376,880
6	Other Funds	3,923,319
7	Total – Facilities Management	37,681,225
8	<i>Capital Projects and Property Management</i>	
9	General Revenues	2,967,816
10	Federal Funds	21,955
11	Restricted Receipts	127,339
12	Other Funds - Statewide Capital Consolidation	495,821
13	Total – Capital Projects and Property Management	3,612,931
14	<i>Information Technology</i>	
15	General Revenues	20,201,589
16	Federal Funds	6,746,649
17	Restricted Receipts	10,193,681
18	Other Funds	2,829,157
19	Total – Information Technology	39,971,076
20	<i>Library and Information Services</i>	
21	General Revenues	1,229,995
22	Federal Funds	1,204,253
23	Restricted Receipts	180
24	Total – Library and Information Services	2,434,428
25	<i>Planning</i>	
26	General Revenues	1,316,146
27	Federal Funds	1,073,871
28	Other Funds	
29	Federal Highway – PL Systems Planning	3,254,638
30	Total – Planning	5,644,655
31	<i>General</i>	
32	General Revenues	
33	Miscellaneous Grants/Payments	971,049
34	Torts – Courts/Awards	400,000

1	State Employees/Teachers Retiree Health Subsidy	2,321,057
2	Resource Sharing and State Library Aid	8,773,398
3	RIPTA	2,000,000
4	Library Construction Aid	2,663,300
5	Federal Funds	4,345,555
6	Restricted Receipts	421,500
7	Other Funds	
8	Rhode Island Capital Plan Funds	
9	Statehouse Renovations	575,000
10	DoIT Enterprise Operations Center	619,000
11	Cranston Street Armory	983,501
12	Cannon Building	1,465,000
13	Zambarano Building Rehabilitation	1,795,000
14	Pastore Center Rehab DOA Portion	2,793,000
15	Old State House	1,225,000
16	State Office Building	3,148,000
17	Old Colony House	695,000
18	William Powers Building	1,450,000
19	Pastore Center Utility Systems Upgrade	3,487,000
20	Replacement of Fueling Tanks	640,000
21	Environmental Compliance	200,000
22	Big River Management Area	120,000
23	Washington County Government Center	825,000
24	Veterans Memorial Auditorium	250,000
25	Chapin Health Laboratory	510,000
26	Pastore Center Parking	1,000,000
27	Pastore Center Water Tanks	280,000
28	RI Convention Center Authority	1,000,000
29	Dunkin Donuts Center	1,387,500
30	Mathias Building Renovation	3,100,000
31	McCoy Stadium	250,000
32	Pastore Center Power Plant	500,000
33	Virks Building Renovations	6,500,000
34	Harrington Hall Renovations	1,679,493

1	Accessibility – Facility Renovations	1,000,000
2	State House Energy Management Improvements	346,000
3	Veterans Land Purchase	250,000
4	Pastore Center Building Demolition	1,700,000
5	Total – General	61,669,353
6	<i>Debt Service Payments</i>	
7	General Revenues	99,137,176
8	Out of the general revenue appropriations for debt service, the General Treasurer is	
9	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
10	maximum debt service due in accordance with the loan agreement.	
11	Federal Funds	2,657,152
12	Restricted Receipts	2,085,410
13	Other Funds	
14	Transportation Debt Service	46,011,341
15	Investment Receipts – Bond Funds	100,000
16	COPS – DLT Building – TDI	271,653
17	Total - Debt Service Payments	150,262,732
18	<i>Energy Resources</i>	
19	Federal Funds	406,587
20	Restricted Receipts	10,194,871
21	Total – Energy Resources	10,601,458
22	<i>Rhode Island Health Benefits Exchange</i>	
23	General Revenues	2,625,841
24	Federal Funds	24,746,063
25	Restricted Receipts	3,554,716
26	Total – Rhode Island Health Benefits Exchange	30,926,620
27	<i>Construction Permitting, Approvals and Licensing</i>	
28	General Revenues	1,615,416
29	Restricted Receipts	1,409,497
30	Total – Construction Permitting, Approvals and Licensing	3,024,913
31	<i>Office of Diversity, Equity & Opportunity</i>	
32	General Revenues	1,098,841
33	Federal Funds	91,294
34	Total – Office of Diversity, Equity & Opportunity	1,190,135

1	<i>Personnel and Operational Reforms</i> General Revenues	(8,225,000)
2	Grand Total – Administration	368,031,640
3	Business Regulation	
4	<i>Central Management</i> General Revenues	1,326,772
5	<i>Banking Regulation</i>	
6	General Revenues	1,674,773
7	Restricted Receipts	37,000
8	Total – Banking Regulation	1,711,773
9	<i>Securities Regulation</i>	
10	General Revenues	962,697
11	Restricted Receipts	3,500
12	Total – Securities Regulation	966,197
13	<i>Insurance Regulation</i>	
14	General Revenues	3,885,752
15	Restricted Receipts	1,877,715
16	Total – Insurance Regulation	5,763,467
17	<i>Office of the Health Insurance Commissioner</i>	
18	General Revenues	535,017
19	Federal Funds	2,795,240
20	Restricted Receipts	11,500
21	Total – Office of the Health Insurance Commissioner	3,341,757
22	<i>Board of Accountancy</i> General Revenues	16,654
23	<i>Commercial Licensing, Racing & Athletics</i>	
24	General Revenues	561,821
25	Restricted Receipts	659,062
26	Total – Commercial Licensing, Racing & Athletics	1,220,883
27	<i>Boards for Design Professionals</i> General Revenues	273,009
28	Grand Total – Business Regulation	14,620,512
29	Executive Office of Commerce	
30	<i>Central Management</i> General Revenues	956,254
31	<i>Housing and Community Development</i>	
32	General Revenues	593,082
33	Federal Funds	10,983,803
34	Restricted Receipts	2,800,000

1	Total – Housing and Community Development	14,376,885
2	<i>RI Television and Film Office</i> General Revenue	325,291
3	<i>Quasi–Public Appropriations</i>	
4	General Revenues	
5	Rhode Island Commerce Corporation	7,394,514
6	Rhode Island Commerce Corporation – Legislative Grans	1,026,492
7	Airport Impact Aid	1,025,000
8	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
9	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of	
10	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent	
11	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the	
12	calendar year 2015 at North Central Airport, Newport-Middletown Airport, Block Island Airport,	
13	Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island	
14	Commerce Corporation shall make an impact payment to the towns or cities in which the airport	
15	is located based on this calculation. Each community upon which any parts of the above airports	
16	are located shall receive at least \$25,000.	
17	STAC Research Alliance	1,150,000
18	Innovative Matching Grants/Internships	1,000,000
19	I-195 Redevelopment District Commission	761,000
20	Executive Office of Commerce Programs	3,100,000
21	Chafee Center at Bryant	376,200
22	Other Funds	
23	Rhode Island Capital Plan Funds	
24	I-195 Redevelopment District Commission	300,000
25	Total – Quasi–Public Appropriations	16,133,206
26	<i>Economic Development Initiatives Fund</i>	
27	General Revenue	
28	Small Business Assistance Program	5,458,000
29	Anchor Institution Tax Credits	1,750,000
30	Innovation Initiative	500,000
31	Cluster Grants	750,000
32	I-195 Development Fund	25,000,000
33	Affordable Housing Fund	3,000,000
34	Main Street RI Streetscape Improvements	1,000,000

1	Rebuild RI	2,000,000
2	First Wave Closing Fund	5,000,000
3	Total – Economic Development Initiatives Fund	44,458,000
4	Grand Total – Executive Office of Commerce	76,249,636
5	Labor and Training	
6	<i>Central Management</i>	
7	General Revenues	110,537
8	Restricted Receipts	369,575
9	Other Funds	
10	Rhode Island Capital Plan Funds	
11	Center General Asset Protection	1,500,000
12	Center General Roof	256,691
13	Total – Central Management	2,236,803
14	<i>Workforce Development Services</i>	
15	General Funds	704,517
16	Federal Funds	19,475,428
17	Restricted Receipts	10,339,896
18	Total – Workforce Development Services	30,519,841
19	<i>Workforce Regulation and Safety</i> General Revenues	2,925,633
20	<i>Income Support</i>	
21	General Revenues	4,194,431
22	Federal Funds	18,688,633
23	Restricted Receipts	2,283,733
24	Other Funds	
25	Temporary Disability Insurance Fund	193,989,337
26	Employment Security Fund	180,000,000
27	Total – Income Support	399,156,134
28	<i>Injured Workers Services</i> Restricted Receipts	8,501,946
29	<i>Labor Relations Board</i> General Revenues	389,651
30	Grand Total – Labor and Training	443,730,008
31	Department of Revenue	
32	<i>Director of Revenue</i> General Revenues	1,144,238
33	<i>Office of Revenue Analysis</i> General Revenues	574,490
34	<i>Lottery Division</i> Lottery Funds	303,850,780

1	<i>Municipal Finance</i> General Revenues	2,186,998
2	<i>Taxation</i>	
3	General Revenues	19,725,849
4	Federal Funds	1,267,991
5	Restricted Receipts	877,550
6	Other Funds	
7	Motor Fuel Tax Evasion	16,148
8	Temporary Disability Insurance	932,395
9	Total – Taxation	22,819,933
10	<i>Registry of Motor Vehicles</i>	
11	General Revenues	19,323,244
12	License Plate Issuance	3,000,000
13	All unexpended or unencumbered balances as of June 30, 2016 relating to	
14	license plate reissuance are hereby reappropriated to fiscal year 2017.	
15	Federal Funds	47,163
16	Restricted Receipts	2,094,763
17	Total – Registry of Motor Vehicles	24,465,170
18	<i>State Aid</i>	
19	General Revenue	
20	Distressed Communities Relief Fund	10,384,458
21	Payment in Lieu of Tax Exempt Properties	40,080,409
22	Motor Vehicle Excise Tax Payments	10,000,000
23	Property Revaluation Program	1,778,760
24	Municipal Aid	5,000,000
25	Restricted Receipts	922,013
26	Total – State Aid	68,165,640
27	Grand Total – Revenue	423,207,249
28	Legislature	
29	General Revenues	39,474,071
30	Restricted Receipts	1,680,873
31	Grand Total – Legislature	41,154,944
32	Lieutenant Governor	
33	General Revenues	1,127,621
34	Federal Funds	65,000

1	Grand Total – Lieutenant Governor	1,192,621
2	Secretary of State	
3	<i>Administration</i> General Revenues	2,553,390
4	<i>Corporations</i> General Revenues	2,302,691
5	<i>State Archives</i>	
6	General Revenues	69,266
7	Restricted Receipts	584,108
8	Total – State Archives	653,374
9	<i>Elections & Civics</i> General Revenues	1,017,899
10	<i>State Library</i> General Revenues	551,744
11	<i>Office of Public Information</i>	
12	General Revenues	456,540
13	Receipted Receipts	15,000
14	Other Funds	
15	Rhode Island Capital Plan Funds	436,246
16	Total – Office of Public Information	907,786
17	Grand Total – Secretary of State	7,986,884
18	General Treasurer	
19	<i>Treasury</i>	
20	General Revenues	2,193,796
21	Federal Funds	267,251
22	Other Funds	
23	Temporary Disability Insurance Fund	218,818
24	Tuition Savings Program – Admin	300,000
25	Total – Treasury	2,979,865
26	<i>State Retirement System</i>	
27	Restricted Receipts	
28	Admin Expenses – State Retirement System	10,230,709
29	Retirement – Treasury Investment Operations	1,235,591
30	Defined Contribution – Administration	316,195
31	Total – State Retirement System	11,782,495
32	<i>Unclaimed Property</i> Restricted Receipts	22,350,267
33	<i>Crime Victim Compensation Program</i>	
34	General Revenues	226,454

1	Federal Funds	624,704
2	Restricted Receipts	1,130,908
3	Total – Crime Victim Compensation Program	1,982,066
4	Grand Total – General Treasurer	39,094,693
5	Board of Elections General Revenues	1,818,305
6	Rhode Island Ethics Commission General Revenues	1,644,876
7	Office of Governor	
8	General Revenues	
9	General Revenues	4,653,467
10	Contingency Fund	250,000
11	Grand Total – Office of Governor	4,903,467
12	Commission for Human Rights	
13	General Revenues	1,252,174
14	Federal Funds	295,836
15	Grand Total – Commission for Human Rights	1,548,010
16	Public Utilities Commission	
17	Federal Funds	90,000
18	Restricted Receipts	8,594,685
19	Grand Total – Public Utilities Commission	8,684,685
20	Office of Health and Human Services	
21	<i>Central Management</i>	
22	General Revenues	25,831,585
23	Federal Funds	
24	Federal Funds	93,178,746
25	Federal Funds – Stimulus	105,512
26	Restricted Receipts	5,122,130
27	Total – Central Management	124,237,973
28	<i>Medical Assistance</i>	
29	General Revenue	
30	Managed Care	288,360,142
31	Hospitals	109,655,465
32	Nursing Facilities	89,819,569
33	Home and Community Based Services	36,301,784
34	Other Services	40,661,162

1	Of this appropriation, \$496,800 shall be used for cortical integrative therapy services.	
2	Pharmacy	55,060,232
3	Rhody Health	263,528,734
4	Federal Funds	
5	Managed Care	322,281,529
6	Hospitals	110,175,915
7	Nursing Facilities	90,976,665
8	Home and Community Based Services	36,769,439
9	Other Services	523,288,344
10	Pharmacy	(408,865)
11	Rhody Health	265,780,865
12	Special Education	19,000,000
13	Restricted Receipts	10,615,000
14	Total – Medical Assistance	2,261,865,980
15	Grand Total – Office of Health and Human Services	2,386,103,953
16	Children, Youth, and Families	
17	<i>Central Management</i>	
18	General Revenues	5,575,757
19	Federal Funds	2,288,363
20	Total – Central Management	7,864,120
21	<i>Children's Behavioral Health Services</i>	
22	General Revenues	4,593,903
23	Federal Funds	5,700,246
24	Other Funds	
25	Rhode Island Capital Plan Funds	
26	Various Repairs and Improvements to Training School	1,113,586
27	Total – Children's Behavioral Health Services	11,407,735
28	<i>Juvenile Correctional Services</i>	
29	General Revenue	25,591,602
30	Federal Funds	276,098
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	Thomas C. Slater Training School Maintenance Building	535,000
34	Total – Juvenile Correctional Services	26,402,700

1	<i>Child Welfare</i>	
2	General Revenues	116,626,469
3	Federal Funds	
4	Federal Funds	50,228,443
5	Federal Funds – Stimulus	433,976
6	Restricted Receipts	2,838,967
7	Other Funds	
8	Rhode Island Capital Plan Funds	
9	Fire Code Upgrades	590,000
10	Total – Child Welfare	170,717,855
11	<i>Higher Education Incentive Grants</i> General Revenues	200,000
12	Grand Total – Children, Youth, and Families	216,592,410
13	Health	
14	<i>Central Management</i>	
15	General Revenues	319,445
16	Federal Funds	6,513,489
17	Restricted Receipts	4,472,766
18	Total – Central Management	11,305,700
19	<i>State Medical Examiner</i>	
20	General Revenues	2,774,940
21	Federal Funds	138,641
22	Total – State Medical Examiner	2,913,581
23	<i>Environmental and Health Services Regulation</i>	
24	General Revenues	9,559,707
25	Federal Funds	8,148,952
26	Restricted Receipts	820,714
27	Total – Environmental and Health Services Regulation	18,529,373
28	<i>Health Laboratories</i>	
29	General Revenues	7,375,260
30	Federal Funds	1,976,761
31	Total – Health Laboratories	9,352,021
32	<i>Public Health Information</i>	
33	General Revenues	1,556,492
34	Federal Funds	2,326,827

1	Total – Public Health Information	3,883,319
2	<i>Community and Family Health and Equity</i>	
3	General Revenues	2,532,862
4	Federal Funds	
5	Federal Funds	40,588,026
6	Federal Funds – Stimulus	930,169
7	Restricted Receipts	24,520,035
8	Total – Community and Family Health and Equity	68,571,092
9	<i>Infectious Disease and Epidemiology</i>	
10	General Revenues	1,717,250
11	Federal Funds	5,129,569
12	Total – Infectious Disease and Epidemiology	6,846,819
13	Grand Total – Health	121,401,905
14	Human Services	
15	<i>Central Management</i>	
16	General Revenues	5,412,814
17	Federal Funds	4,180,956
18	Restricted Receipts	520,231
19	Total – Central Management	10,114,001
20	<i>Child Support Enforcement</i>	
21	General Revenues	2,996,584
22	Federal Funds	6,645,827
23	Total – Child Support Enforcement	9,642,411
24	<i>Individual and Family Support</i>	
25	General Revenues	22,970,906
26	Federal Funds	
27	Federal Funds	121,456,115
28	Federal Funds – Stimulus	6,222,500
29	Restricted Receipts	737,279
30	Other Funds	
31	Rhode Island Capital Plan Funds	
32	Blind Vending Facilities	165,000
33	Intermodal Surface Transportation Fund	4,428,478
34	Total – Individual and Family Support	155,980,278

1	<i>Veterans' Affairs</i>	
2	General Revenues	20,496,870
3	Federal Funds	8,215,161
4	Restricted Receipts	681,500
5	Total – Veterans' Affairs	29,393,531
6	<i>Health Care Eligibility</i>	
7	General Revenues	8,071,757
8	Federal Funds	11,437,561
9	Total – Health Care Eligibility	19,509,318
10	<i>Supplemental Security Income Program</i> General Revenues	18,706,478
11	<i>Rhode Island Works</i>	
12	General Revenues	11,368,635
13	Federal Funds	79,065,723
14	Total – Rhode Island Works	90,434,358
15	<i>State Funded Programs</i>	
16	General Revenues	1,658,880
17	Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
18	Federal Funds	268,085,000
19	Total – State Funded Programs	269,743,880
20	<i>Elderly Affairs</i>	
21	General Revenues	
22	Program Services	6,587,459
23	Care and Safety of the Elderly	1,300
24	Federal Funds	12,153,465
25	Restricted Receipts	137,026
26	Total – Elderly Affairs	18,879,250
27	Grand Total – Human Services	622,403,505
28	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
29	<i>Central Management</i>	
30	General Revenues	1,015,570
31	Federal Funds	600,382
32	Total – Central Management	1,615,952
33	<i>Hospital and Community System Support</i>	
34	General Revenues	1,468,050

1	Restricted Receipts	762,813
2	Other Funds	
3	Rhode Island Capital Plan Funds	
4	Medical Center Rehabilitation	150,000
5	Community Facilities Fire Code	400,000
6	Total – Hospital and Community System Support	2,780,863
7	<i>Services for the Developmentally Disabled</i>	
8	General Revenues	114,123,111
9	Federal Funds	113,792,233
10	Restricted Receipts	1,759,132
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	DD Private Waiver	300,000
14	Regional Center Repair/Rehabilitation	400,000
15	MR Community Facilities/Access to Independence	500,000
16	Total – Services for the Developmentally Disabled	230,874,476
17	<i>Behavioral Healthcare Services</i>	
18	General Revenues	2,343,459
19	Federal Funds	14,572,783
20	Municipal Substance Abuse Task Forces	900,000
21	NAMI of RI	128,000
22	Restricted Receipts	100,000
23	Other Funds	
24	Rhode Island Capital Plan Funds	
25	MH Community Facilities Repair	400,000
26	MH Housing Development-Thresholds	800,000
27	Substance Abuse Asset Production	100,000
28	Total – Behavioral Healthcare Services	19,344,242
29	<i>Hospital and Community Rehabilitative Services</i>	
30	General Revenues	53,513,521
31	Federal Funds	52,611,788
32	Restricted Receipts	6,558,852
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	Zambarano Buildings and Utilities	346,000
2	BHDDH Administrative Buildings	2,000,000
3	MR Community Facilities	975,000
4	Hospital Equipment	300,000
5	Total - Hospital and Community Rehabilitative Services	116,305,161
6	Grand Total – BHDDH	370,920,694
7	Office of the Child Advocate	
8	General Revenues	672,273
9	Federal Funds	45,000
10	Grand Total – Office of the Child Advocate	717,273
11	Commission on the Deaf and Hard of Hearing	
12	General Revenues	411,883
13	Restricted Receipts	80,000
14	Grand Total – Commission on the Deaf and Hard of Hearing	491,883
15	Governor’s Commission on Disabilities	
16	General Revenues	383,056
17	Federal Funds	35,459
18	Restricted Receipts	10,009
19	Grand Total – Governor’s Commission on Disabilities	428,524
20	Office of the Mental Health Advocate General Revenues	508,251
21	Elementary and Secondary Education	
22	<i>Administration of the Comprehensive Education Strategy</i>	
23	General Revenues	20,661,893
24	Federal Funds	
25	Federal Funds	196,281,901
26	Federal Funds – Stimulus	5,990,558
27	RTTT LEA Share	100,000
28	Restricted Receipts	
29	Restricted Receipts	1,082,319
30	HRIC Adult Education Grants	3,500,000
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	State-Owned Warwick	1,000,000
34	State-Owned Woonsocket	1,000,000

1	Total – Administration of the Comprehensive Education Strategy	229,616,671
2	<i>Davies Career and Technical School</i>	
3	General Revenues	11,640,152
4	Federal Funds	1,330,141
5	Restricted Receipts	4,281,107
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	Davies HVAC	895,000
9	Davies Asset Protection	770,000
10	Total – Davies Career and Technical School	18,916,400
11	<i>RI School for the Deaf</i>	
12	General Revenues	6,279,590
13	Federal Funds	259,714
14	Restricted Receipts	785,791
15	Other Funds	
16	RI School for the Deaf Transformation Grants	59,000
17	Total – RI School for the Deaf	7,384,095
18	<i>Metropolitan Career and Technical School</i>	
19	General Revenues	9,864,425
20	Other Funds	
21	Rhode Island Capital Plan Funds	
22	MET Asset Protection	100,000
23	MET School HVAC	3,736,370
24	Total – Metropolitan Career and Technical School	13,700,795
25	<i>Education Aid</i>	
26	General Revenues	796,891,952
27	Restricted Receipts	19,299,709
28	Other Funds	
29	Permanent School Fund – Education Aid	300,000
30	Total – Education Aid	816,491,661
31	<i>Central Falls School District</i> General Revenues	39,369,337
32	<i>School Construction Aid</i>	
33	General Revenues	
34	School Housing Aid	70,907,110

1	School Building Authority Capital Fund	20,000,000
2	Total – School Construction Aid	90,907,110
3	<i>Teachers' Retirement</i> General Revenues	92,805,836
4	Grand Total – Elementary and Secondary Education	1,309,191,905
5	Public Higher Education	
6	<i>Office of Postsecondary Commissioner</i>	
7	General Revenues	5,815,323
8	Federal Funds	
9	Federal Funds	10,149,301
10	WaytogoRI Portal	943,243
11	Guaranty Agency Operating Fund-Scholarships & Grants	4,000,000
12	Other Funds	
13	Tuition Savings Program – Dual Enrollment	1,300,000
14	Tuition Savings Program – Scholarships and Grants	6,095,000
15	Total – Office of Postsecondary Commissioner	28,302,867
16	<i>University of Rhode Island</i>	
17	General Revenue	
18	General Revenues	71,385,336
19	The University shall not decrease internal student financial aid in the 2015 – 2016	
20	academic year below the level of the 2014 – 2015 academic year. The President of the institution	
21	shall report, prior to the commencement of the 2015-2016 academic year, to the chair of the	
22	Council of Postsecondary Education that such tuition charges and student aid levels have been	
23	achieved at the start of FY 2016 as prescribed above.	
24	Debt Service	18,186,018
25	RI State Forensics Laboratory	1,072,892
26	Other Funds	
27	University and College Funds	591,203,000
28	Debt – Dining Services	1,113,621
29	Debt – Education and General	3,599,062
30	Debt – Health Services	136,256
31	Debt – Housing Loan Funds	10,607,660
32	Debt – Memorial Union	324,358
33	Debt – Ryan Center	2,793,305
34	Debt – Alton Jones Services	103,119

1	Debt – Parking Authority	1,029,157
2	Debt – Sponsored Research	90,278
3	Debt – URI Energy Conservation	1,709,986
4	Debt – Restricted Energy Conservation	810,170
5	Rhode Island Capital Plan Funds	
6	Asset Protection	7,686,900
7	Fire and Safety Protection	3,221,312
8	Electrical Substation	1,200,000
9	New Chemistry Building	4,000,000
10	URI/RIC Nursing Education Center	400,000
11	Total – University of Rhode Island	720,672,430
12	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
13	unencumbered balances as of June 30, 2016 relating to the University of Rhode Island are hereby	
14	reappropriated to fiscal year 2017.	
15	<i>Rhode Island College</i>	
16	General Revenues	
17	General Revenues	44,988,362
18	Rhode Island College shall not decrease internal student financial aid in the 2015 – 2016	
19	academic year below the level of the 2014 – 2015 academic year. The President of the institution	
20	shall report, prior to the commencement of the 2015-2016 academic year, to the chair of the	
21	Council of Postsecondary Education that such tuition charges and student aid levels have been	
22	achieved at the start of FY 2016 as prescribed above.	
23	Debt Service	5,214,649
24	Other Funds	
25	University and College Funds	118,566,770
26	Debt – Education and General	879,147
27	Debt – Housing	2,013,281
28	Debt – Student Center and Dining	154,330
29	Debt – Student Union	235,481
30	Debt – G.O. Debt Service	1,644,459
31	Debt Energy Conservation	256,275
32	Rhode Island Capital Plan Funds	
33	Asset Protection	3,080,400
34	Infrastructure Modernization	2,000,000

1	Total – Rhode Island College	179,033,154
2	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
3	unencumbered balances as of June 30, 2016 relating to Rhode Island College are hereby	
4	reappropriated to fiscal year 2017.	
5	<i>Community College of Rhode Island</i>	
6	General Revenues	
7	General Revenues	47,965,855
8	The Community College of Rhode Island shall not decrease internal student financial aid	
9	in the 2015 – 2016 academic year below the level of the 2014 – 2015 academic year. The	
10	President of the institution shall report, prior to the commencement of the 2015-2016 academic	
11	year, to the chair of the Council of Postsecondary Education that such tuition charges and student	
12	aid levels have been achieved at the start of FY 2016 as prescribed above.	
13	Debt Service	1,676,521
14	Restricted Receipts	653,200
15	Other Funds	
16	University and College Funds	106,862,884
17	CCRI Debt Service – Energy Conservation	808,425
18	Rhode Island Capital Plan Funds	
19	Asset Protection	2,184,100
20	Knight Campus Renewal	2,000,000
21	Total – Community College of RI	162,150,985
22	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
23	unencumbered balances as of June 30, 2016 relating to the Community College of Rhode Island	
24	are hereby reappropriated to fiscal year 2017.	
25	Grand Total – Public Higher Education	1,090,159,436
26	RI State Council on the Arts	
27	General Revenues	
28	Operating Support	453,187
29	Grants	1,054,574
30	Federal Funds	775,353
31	Other Funds	
32	Art for Public Facilities	1,398,293
33	Grand Total – RI State Council on the Arts	3,681,407
34	RI Atomic Energy Commission	

1	General Revenues	957,170
2	Federal Funds	54,699
3	Other Funds	
4	URI Sponsored Research	275,300
5	Rhode Island Capital Plan Funds	
6	RINSC Asset Protection	50,000
7	Grand Total – RI Atomic Energy Commission	1,337,169
8	RI Historical Preservation and Heritage Commission	
9	General Revenues	1,380,972
10	Federal Funds	2,075,393
11	Restricted Receipts	428,630
12	Other Funds	
13	RIDOT Project Review	71,708
14	Grand Total – RI Historical Preservation and Heritage Commission	3,956,703
15	Attorney General	
16	<i>Criminal</i>	
17	General Revenues	15,461,041
18	Federal Funds	1,291,777
19	Restricted Receipts	6,353,595
20	Total – Criminal	23,106,413
21	<i>Civil</i>	
22	General Revenues	5,285,996
23	Restricted Receipts	896,735
24	Total – Civil	6,182,731
25	<i>Bureau of Criminal Identification</i> General Revenues	1,591,162
26	<i>General</i>	
27	General Revenues	2,855,011
28	Other Funds	
29	Rhode Island Capital Plan Funds	
30	Building Renovations and Repairs	300,000
31	Total – General	3,155,011
32	Grand Total – Attorney General	34,035,317
33	Corrections	
34	<i>Central Management</i>	

1	General Revenues	8,958,836
2	Federal Funds	118,361
3	Total – Central Management	9,077,197
4	<i>Parole Board</i>	
5	General Revenues	1,345,685
6	Federal Funds	38,000
7	Total – Parole Board	1,383,685
8	<i>Custody and Security</i>	
9	General Revenues	127,071,484
10	Federal Funds	571,986
11	Total – Custody and Security	127,643,470
12	<i>Institutional Support</i>	
13	General Revenues	16,595,667
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	Asset Protection	3,750,000
17	Maximum – General Renovations	900,000
18	General Renovations Women’s	416,000
19	Bernadette Guay Roof	500,000
20	ISC Exterior Envelope and HVAC	800,000
21	Minimum Security Kitchen Expansion	1,100,000
22	Medium Infrastructure	1,500,000
23	Dix Building Plumbing and Bath	450,000
24	Total – Institutional Support	26,011,667
25	<i>Institutional Based Rehab./Population Management</i>	
26	General Revenues	9,524,559
27	Federal Funds	552,034
28	Restricted Receipts	29,464
29	Total – Institutional Based Rehab/Population Management	10,106,057
30	<i>Healthcare Services</i> General Revenues	20,771,182
31	<i>Community Corrections</i>	
32	General Revenues	15,957,837
33	Federal Funds	57,000
34	Restricted Receipts	17,594

1	Total – Community Corrections	16,032,431
2	Grand Total – Corrections	211,025,689
3	Judiciary	
4	<i>Supreme Court</i>	
5	General Revenues	
6	General Revenues	27,107,017
7	Provided however, that no more than \$932,340 in combined total shall be offset to the	
8	Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the	
9	Department of Children Youth and Families, and the Department of Public Safety for square-	
10	footage occupancy costs in public courthouses.	
11	Defense of Indigents	3,542,240
12	Federal Funds	123,289
13	Restricted Receipts	3,103,886
14	Other Funds	
15	Rhode Island Capital Plan Fund	
16	Judicial HVAC	900,000
17	Judicial Complexes Asset Protection	850,000
18	Noel Shelled Courtroom Build Out	3,000,000
19	Licht Judicial Complex Restoration	750,000
20	Total - Supreme Court	39,376,432
21	<i>Judicial Tenure and Discipline</i> General Revenues	121,527
22	<i>Superior Court</i>	
23	General Revenues	23,209,940
24	Federal Funds	50,406
25	Restricted Receipts	300,000
26	Total – Superior Court	23,560,346
27	<i>Family Court</i>	
28	General Revenues	20,918,555
29	Federal Funds	3,014,025
30	Total – Family Court	23,932,580
31	<i>District Court</i>	
32	General Revenues	12,589,546
33	Federal Funds	243,416
34	Restricted Receipts	169,251

1	Total – District Court	13,002,213
2	<i>Traffic Tribunal</i> General Revenues	8,542,221
3	<i>Workers' Compensation Court</i> Restricted Receipts	7,763,807
4	Grand Total – Judiciary	116,299,126
5	Military Staff	
6	General Revenues	2,065,434
7	Federal Funds	15,361,864
8	Restricted Receipts	
9	RI Military Relief Fund	300,000
10	Counter Drug Asset Forfeiture	23,300
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	Armory of Mounted Command Roof Replacement	357,500
14	Asset Protection	700,000
15	Joint Force Headquarters Building	600,000
16	Grand Total – Military Staff	19,408,098
17	Emergency Management	
18	General Revenues	1,766,002
19	Federal Funds	16,551,541
20	Restricted Receipts	220,375
21	Grand Total – Emergency Management	18,537,918
22	Public Safety	
23	<i>Central Management</i>	
24	General Revenues	1,325,286
25	Federal Funds	3,770,143
26	Total – Central Management	5,095,429
27	<i>E-911 Emergency Telephone System</i> General Revenues	5,377,414
28	<i>State Fire Marshal</i>	
29	General Revenues	3,250,543
30	Federal Funds	396,095
31	Restricted Receipts	188,838
32	Other Funds	
33	Rhode Island Capital Plan Fund	
34	Fire Academy	2,000,000

1	Quonset Development Corporation	60,541
2	Total – State Fire Marshal	5,896,017
3	<i>Security Services</i> General Revenues	22,680,304
4	<i>Municipal Police Training Academy</i>	
5	General Revenues	254,667
6	Federal Funds	165,754
7	Total – Municipal Police Training Academy	420,421
8	<i>State Police</i>	
9	General Revenues	64,172,279
10	Federal Funds	2,432,080
11	Restricted Receipts	10,987,508
12	Other Funds	
13	Rhode Island Capital Plan Funds	
14	Consolidated Training Academy	1,250,000
15	DPS Asset Protection	250,000
16	Barrack Renovation	400,000
17	Lottery Commission Assistance	1,450,696
18	Airport Corporation Assistance	377,148
19	Road Construction Reimbursement	2,936,120
20	Total – State Police	84,255,831
21	Grand Total – Public Safety	123,725,416
22	Office of Public Defender	
23	General Revenues	11,621,977
24	Federal Funds	78,370
25	Grand Total – Office of Public Defender	11,700,347
26	Environmental Management	
27	<i>Office of the Director</i>	
28	General Revenues	5,162,770
29	Federal Funds	150,000
30	Restricted Receipts	3,100,511
31	Total – Office of the Director	8,413,281
32	<i>Natural Resources</i>	
33	General Revenues	20,671,723
34	Federal Funds	19,131,833

1	Restricted Receipts	6,360,768
2	Other Funds	
3	DOT Recreational Projects	181,649
4	Blackstone Bikepath Design	2,059,579
5	Transportation MOU	78,350
6	Rhode Island Capital Plan Funds	
7	Dam Repair	750,000
8	Fort Adams Rehabilitation	125,000
9	Fort Adams America's Cup	1,400,000
10	Recreational Facilities Improvements	4,991,000
11	Galilee Piers Upgrade	400,000
12	Newport Piers	137,500
13	World War II Facility	770,000
14	Blackstone Valley Bike Path	198,410
15	Marine Infrastructure/Pier Development	100,000
16	Rocky Point Acquisition/Renovations	200,000
17	Natural Resources Offices/Visitor's Center	2,500,000
18	Total – Natural Resources	60,055,812
19	<i>Environmental Protection</i>	
20	General Revenues	11,751,892
21	Federal Funds	10,025,644
22	Restricted Receipts	8,893,258
23	Other Funds	
24	Transportation MOU	164,734
25	Total – Environmental Protection	30,835,528
26	Grand Total – Environmental Management	99,304,621
27	Coastal Resources Management Council	
28	General Revenues	2,433,260
29	Federal Funds	2,614,348
30	Restricted Receipts	250,000
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	South Coast Restoration Project	321,775
34	Shoreline Change Beach SAMP	50,000

1	Grand Total – Coastal Resources Management Council	5,669,383
2	Transportation	
3	<i>Central Management</i>	
4	Federal Funds	8,540,000
5	Other Funds	
6	Gasoline Tax	2,182,215
7	Total – Central Management	10,722,215
8	<i>Management and Budget</i>	
9	Other Funds – Gasoline Tax	4,530,251
10	<i>Infrastructure Engineering - GARVEE/Motor Fuel Tax Bonds</i>	
11	Federal Funds	
12	Federal Funds	240,533,185
13	Federal Funds – Stimulus	14,542,237
14	Restricted Receipts	1,000,000
15	Other Funds	
16	Gasoline Tax	73,801,440
17	Land Sale Revenue	10,800,000
18	Rhode Island Capital Funds	
19	RIPTA Land and Buildings	200,000
20	Highway Improvement Program	34,650,000
21	Total - Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds	375,526,862
22	<i>Infrastructure Maintenance</i>	
23	Other Funds	
24	Gasoline Tax	14,127,961
25	Non-Land Surplus Property	10,000
26	Outdoor Advertising	100,000
27	Rhode Island Highway Maintenance Account	54,349,189
28	Rhode Island Capital Plan Funds	
29	Maintenance Facilities Improvements	100,000
30	Salt Storage Facilities	1,000,000
31	Portsmouth Facility	1,000,000
32	Maintenance - Capital Equipment Replacement	2,000,000
33	Train Station Maintenance and Repairs	350,000
34	Total – Infrastructure Maintenance	73,037,150

1	Grand Total – Transportation	463,816,478
2	Statewide Totals	
3	General Revenues	3,552,919,556
4	Federal Funds	2,946,193,032
5	Restricted Receipts	245,496,096
6	Other Funds	1,920,676,257
7	Statewide Grand Total	8,665,284,941

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

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

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

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

32	Account	Expenditure Limit
33	State Assessed Fringe Benefit Internal Service Fund	38,930,194
34	Administration Central Utilities Internal Service Fund	17,782,800

1	State Central Mail Internal Service Fund	6,203,680
2	State Telecommunications Internal Service Fund	4,122,558
3	State Automotive Fleet Internal Service Fund	13,830,623
4	Surplus Property Internal Service Fund	2,500
5	Health Insurance Internal Service Fund	251,175,719
6	Other Post-Employment Benefits Fund	64,293,483
7	Capitol Police Internal Service Fund	1,252,144
8	Corrections Central Distribution Center Internal Service Fund	6,768,097
9	Correctional Industries Internal Service Fund	7,228,052
10	Secretary of State Record Center Internal Service Fund	813,687

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

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

21 SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby
22 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
23 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
24 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2016.

25 SECTION 8. Appropriation of Employment Security Funds -- There is hereby
26 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to
27 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending
28 June 30, 2016.

29 SECTION 9. Appropriation of Lottery Division Funds – There is hereby appropriated to
30 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes
31 of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2016.

32 SECTION 10. Departments and agencies listed below may not exceed the number of full-
33 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
34 not include seasonal or intermittent positions whose scheduled period of employment does not

1 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
 2 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
 3 individuals engaged in training, the completion of which is a prerequisite of employment.
 4 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
 5 designee, and the President of the Senate or designee may authorize an adjustment to any
 6 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written
 7 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A
 8 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of
 9 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the
 10 Senate Fiscal Advisor.

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

14 FY 2016 FTE POSITION AUTHORIZATION

15	Departments and Agencies	Full-Time Equivalent
16	Administration	711.7
17	Business Regulation	98.0
18	Executive Office of Commerce	18.6
19	Labor and Training	410.0
20	Revenue	514.5
21	Legislature	298.5
22	Office of the Lieutenant Governor	8.0
23	Office of the Secretary of State	57.0
24	Office of the General Treasurer	84.0
25	Board of Elections	11.0
26	Rhode Island Ethics Commission	12.0
27	Office of the Governor	45.0
28	Commission for Human Rights	14.5
29	Public Utilities Commission	50.0
30	Office of Health and Human Services	187.0
31	Children, Youth, and Families	672.5
32	Health	490.6
33	Human Services	959.1
34	Behavioral Health, Developmental Disabilities, and Hospitals	1,421.4

1	Office of the Child Advocate	6.0
2	Commission on the Deaf and Hard of Hearing	3.0
3	Governor's Commission on Disabilities	4.0
4	Office of the Mental Health Advocate	4.0
5	Elementary and Secondary Education	151.4
6	School for the Deaf	60.0
7	Davies Career and Technical School	126.0
8	Office of Postsecondary Commissioner	25.0
9	Provided that 1.0 of the total authorization would be available only for positions that are	
10	supported by third-party funds.	
11	University of Rhode Island	2,456.5
12	Provided that 573.8 of the total authorization would be available only for positions that	
13	are supported by third-party funds.	
14	Rhode Island College	923.6
15	Provided that 82.0 of the total authorization would be available only for positions that are	
16	supported by third-party funds.	
17	Community College of Rhode Island	854.1
18	Provided that 89.0 of the total authorization would be available only for positions that are	
19	supported by third-party funds.	
20	Rhode Island State Council on the Arts	6.0
21	RI Atomic Energy Commission	8.6
22	Historical Preservation and Heritage Commission	16.6
23	Office of the Attorney General	236.1
24	Corrections	1,419.0
25	Judicial	724.3
26	Military Staff	92.0
27	Public Safety	633.2
28	Office of the Public Defender	93.0
29	Emergency Management	32.0
30	Environmental Management	399.0
31	Coastal Resources Management Council	29.0
32	Transportation	752.6
33	Total	15,118.4

34 SECTION 11. The amounts reflected in this Article include the appropriation of Rhode

1 Island Capital Plan funds for fiscal year 2016 and supersede appropriations provided for FY 2016
 2 within Section 11 of Article 1 of Chapter 145 of the P.L. of 2014.

3 The following amounts are hereby appropriated out of any money in the State's Rhode
 4 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
 5 June 30, 2017, June 30, 2018, June 30, 2019, and June 30, 2020. These amounts supersede
 6 appropriations provided within Section 11 of Article 1 of Chapter 145 of the P.L. of 2014. For the
 7 purposes and functions hereinafter mentioned, the State Controller is hereby authorized and
 8 directed to draw his or her orders upon the General Treasurer for the payment of such sums and
 9 such portions thereof as may be required by him or her upon receipt of properly authenticated
 10 vouchers.

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	Ending	Ending	Ending	Ending
Project	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
DOA - Cannon Building	400,000	400,000	250,000	250,000
DOA - Accessibility – Facility				
Renovations	1,000,000	1,000,000	1,000,000	1,000,000
DOA - Pastore Canter Rehab	7,915,000	2,500,000	2,120,000	2,500,000
DOA - State Office Building	2,800,000	400,000	350,000	0
DOA - Virks Building	6,500,000	0	0	0
DOA - Washington County				
Government Center	750,000	500,000	500,000	500,000
DOA - William Powers Administration				
Buildings	475,000	150,000	425,000	425,000
DOA - Zambarano Utilities and				
Infrastructure	1,000,000	250,000	950,000	100,000
DOC - Asset Protection	3,750,000	3,750,000	3,750,000	3,750,000
DLT - Center General Asset				
Protection	1,500,000	1,000,000,	500,000	500,000
El Sec - Davies School Asset				
Protection	150,000	150,000	150,000	150,000
El Sec - Davies HVAC	1,435,000	650,000	0	0
El Sec - Met School Asset				
Protection	100,000	250,000	250,000	250,000
El Sec - Woonsocket Career and				

1	Technical	1,150,000	1,000,000	0	0
2	Judicial - Asset Protection	875,000	950,000	950,000	1,000,000
3	Mil Staff – Joint Force Headquarters				
4	Bldg	3,000,000	3,000,000	4,100,000	0
5	Higher Ed - CCRI Asset				
6	Protection	2,732,100	2,799,063	2,368,035	2,439,076
7	Higher Ed - Knight Campus				
8	Renewal	4,000,000	5,000,000	4,000,000	3,000,000
9	Higher Ed - Asset Protection-				
10	RIC	3,357,700	3,458,431	3,562,184	3,669,050
11	Higher Ed - Asset Protection-				
12	URI	7,856,000	8,030,000	8,200,000	8,364,000
13	Higher Ed - URI/RIC Nursing				
14	Education Center	200,000	0	0	0
15	Higher Ed - RIC Infrastructure				
16	Modernization	3,000,000	3,500,000	2,000,000	0
17	DPS - Consolidated Training				
18	Academy	5,400,000	3,100,000	0	0
19	DPS - Asset Protection	250,000	250,000	250,000	250,000
20	DPS - Fire Academy Bldg	1,965,000	0	0	0
21	DEM - Dam Repairs	1,000,000	1,550,000	1,500,000	1,000,000
22	DEM - Galilee Piers	400,000	400,000	400,000	400,000
23	DEM - Marine Infrastructure/				
24	Pier Development	1,000,000	1,000,000	1,000,000	900,000
25	DEM - Newport Piers	137,500	0	0	0
26	DEM - Recreation Facility				
27	Improvements	3,094,000	1,700,000	1,550,000	850,000
28	DEM - Natural Resources Offices/				
29	Visitor's Center	3,000,000	0	0	0
30	DOT - Highway Improvement				
31	Program	27,200,000	27,200,000	27,200,000	27,200,000

32 SECTION 12. Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.
33 – Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project
34 appropriations may be reappropriated at the recommendation of the Governor in the ensuing

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

5 SECTION 13. For the Fiscal Year ending June 30, 2016, the Rhode Island Housing and
6 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in
7 support of the Neighborhood Opportunities Program. The Corporation shall provide a report
8 detailing the amount of funding provided to this program, as well as information on the number
9 of units of housing provided as a result to the Director of Administration, the Chair of the
10 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the
11 Senate Finance Committee and the State Budget Officer.

12 SECTION 14. This article shall take effect as of July 1, 2015.

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ARTICLE 2

RELATING TO DEBT MANAGEMENT

SECTION 1. University of Rhode Island Fraternity Circle Improvements Phase I.

WHEREAS, The University of Rhode Island is proposing a utility and infrastructure project to replace, improve, and reorganize aged, incrementally developed utility and paved infrastructure in the sector of the Kingston Campus devoted to fraternity and sorority houses, referred to as Fraternity Circle Improvements Phase I, including improvements to water, wastewater, electrical, telecommunications, natural gas connections, and storm water management systems, as well as roadways, walkways, and parking lots as a first phase of improvements reflected in a "master plan" for this unique neighborhood of on-campus residences serving organizations of students; and

WHEREAS, Fraternities and sororities first developed in the early 1900s at the University of Rhode Island and were expanded with the initial designation and development of the "fraternity circle" neighborhood that was established in 1964, with the complement of fraternity and sorority buildings presently housing over 800 students, while maintaining strong bonds with affiliated alumni supporters of the University; and

WHEREAS, The capacity of the present water distribution system in this sector is a concern for serving sprinkler systems in both present and future houses and the wastewater system and storm water management systems must be improved and contemporized; and

WHEREAS, The upgrade and reconfiguration of gas, electric, and telecommunication infrastructure in the district, with the cooperation of National Grid and the university's networking and telecommunications operation, will address reliability, safety and long-term functionality, while reconfigured roadways, with service access, improved pedestrian safety, and parking area enhancements will bring this sector in line with the hardscape, exterior lighting, and blue-light emergency phone complements in the adjacent residence hall districts; and

WHEREAS, The design and construction of this project will be financed through Rhode Island Health and Educational Building Corporation (RIHEBC) revenue bonds, with an expected term of twenty (20) years; and

WHEREAS, Debt service payments would be supported by university general revenues; now, therefore, be it

1 RESOLVED, That the total amount of the debt approved to be issued in the aggregate
2 shall be limited to not more than five million one hundred thousand dollars (\$5,100,000). Total
3 debt service on the bonds is not expected to exceed four hundred seven thousand dollars
4 (\$407,000) annually and eight million one hundred forty thousand dollars (\$8,140,000) in the
5 aggregate based on an average interest rate of five (5.0%) percent and a twenty (20) year
6 maturity; and be it further

7 RESOLVED, That the Fraternity Circle Improvement Project Phase I is an important
8 investment in the upgrade of essential utility systems to enhance public safety, ensure reliability
9 and capacity, and safeguard the woodland/wetland setting of this sector of the Kingston Campus;
10 and that this general assembly hereby approves financing; and it be further

11 RESOLVED, That this Joint Resolution shall take effect upon passage by this General
12 Assembly.

13 SECTION 2. Rhode Island Turnpike and Bridge Authority.

14 WHEREAS, The Rhode Island Turnpike and Bridge Authority (the "Authority") is a
15 public corporation of the State of Rhode Island (the "State"), constituting a public instrumentality
16 and agency exercising public and essential governmental functions of the State, created by the
17 General Assembly pursuant to Rhode Island General Laws § 24-12-1, et seq. (as enacted,
18 reenacted and amended, hereinafter referred to as the "Act"); and

19 WHEREAS, The State recognizes that the Pell Bridge, the Jamestown Verrazzano Bridge
20 and other facilities of the Authority are an essential part of the State's transportation system and
21 facilitates the tourism industry; and it is the policy of the State that the public welfare and the
22 further economic development and the prosperity of the State requires the maintenance of such
23 facilities and the financing thereof; and

24 WHEREAS, The Act provides that the Authority shall have the power to charge and
25 collect tolls for the use of its facilities; and

26 WHEREAS, Pursuant to Rhode Island General Laws § 31-36-20, three and one-half cents
27 (\$0.035) per gallon of the motor fuel tax is transferred to the Authority to be used for
28 maintenance, operations, capital expenditures and debt service on any of its projects as defined in
29 chapter 12 of title 24; and

30 WHEREAS, The Act also provides that the Authority shall have the power to acquire,
31 hold and dispose of real and personal property in the exercise of its powers and performance of its
32 duties; and

33 WHEREAS, The Act authorizes the Authority to make and enter into all contracts and
34 agreements necessary or incidental to the performance of its duties and the execution of its

1 powers under the Act, to issue revenue bonds of the Authority for any of its purposes and to
2 refund its bonds, borrow money in anticipation of the issuance of its bonds, and secure its bonds
3 and notes by the pledge of its tolls and other revenues; and

4 WHEREAS, In furtherance of its corporate purposes, the Authority is authorized to issue
5 from time to time its negotiable revenue bonds and notes in one or more series in such principal
6 amounts for the purpose of paying all or a part of the costs of any one or more projects authorized
7 by the Act, making provision for working capital and a reserve for interest; and

8 WHEREAS, Pursuant to Rhode Island General Laws §§ 35-18-3 and 35-18-4 of the
9 Rhode Island Public Corporation Debt Management Act (as enacted, reenacted and amended, the
10 "Debt Management Act"), the Authority has requested the approval of the General Assembly of
11 the Authority's issuance of not more than sixty five million dollars (\$65,000,000) Rhode Island
12 Turnpike and Bridge Authority Revenue Bonds with a term not to exceed thirty (30) years and six
13 (6) months (together with any notes issued in anticipation of the issuance of bonds, the " Bonds")
14 to be secured by toll, transfers of motor fuel taxes and/or other revenues, for the purpose of
15 providing funds to finance the renovation, renewal, repair, rehabilitation, retrofitting, upgrading
16 and improvement of the Pell Bridge, the Jamestown Verrazzano Bridge, the Sakonnet River
17 Bridge, Mount Hope Bridge, and other projects authorized under the Act, replacement of the
18 components thereof, working capital, capitalized interest, a debt service reserve and the costs of
19 issuing and insuring the Bonds (the "Project"); and

20 WHEREAS, The Project constitutes essential public facilities directly benefiting the
21 State; and

22 WHEREAS, The Authority is authorized pursuant to § 24-12-28 of the Act to secure its
23 bonds by a pledge of the tolls and other revenues received by the Authority; and

24 WHEREAS, The State shall directly benefit economically from the Project by the repair,
25 maintenance and improvement of the State transportation infrastructure; and

26 WHEREAS, In the event that not all of the Bond proceeds are used to carry out the
27 specified Project, the Authority will use any remaining funds to pay debt service on the Bonds;

28 Now, therefore, be it

29 RESOLVED, That this General Assembly finds that the Project is an essential public
30 facility and is of a type and nature consistent with the purposes and within the powers of the
31 Authority to undertake, and hereby approves the Authority's issuance of not more than sixty-five
32 million dollars (\$65,000,000) in Bonds, which amount is in addition to all prior authorizations;
33 and be it further

34 RESOLVED, That the Bonds will be special obligations of the Authority payable from

1 funds received by the Authority from tolls and other revenues received by the Authority. The total
2 debt service on the Bonds is estimated to average approximately five million seventy-five
3 thousand dollars (\$5,075,000) per year or approximately one hundred fifty million two hundred
4 fifty thousand dollars (\$152,250,000) in the aggregate, prior to the receipt of any federal subsidy
5 and/or assistance, at an average interest rate of approximately six and three-quarters percent
6 (6.75%) and an approximately a thirty (30) year maturity; and be it further

7 RESOLVED, That the Bonds will not constitute indebtedness of the State or any of its
8 subdivisions or a debt for which the full faith and credit of the State or any of its subdivisions is
9 pledged.

10 RESOLVED, That this Joint Resolution shall take effect upon passage by this General
11 Assembly.

12 SECTION 3. Chapter 24-12 of the General Laws entitled "Rhode Island Turnpike and
13 Bridge Authority" is hereby amended by adding thereto the following section:

14 **24-12-59. Bondholders' rights not to be affected by the state. -- [The state does pledge](#)**
15 **[to and agree with the holders of any bonds or notes issued under this chapter that the state will not](#)**
16 **[limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the](#)**
17 **[holders until those bonds or notes, together with their interest, with interest on any unpaid](#)**
18 **[installments of interest, and all costs and expenses in connection with any action or proceeding by](#)**
19 **[or on behalf of those holders, are fully met and discharged. The authority is authorized to include](#)**
20 **[this pledge and agreement of the state in any agreement with the holders of those bonds or notes.](#)**

21 SECTION 4. This article shall take effect upon passage.

1 **ARTICLE 3**

2 RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE

3 SECTION 1. This article consists of Joint Resolutions that are submitted pursuant to
4 Rhode Island General Laws § 37-6-2 authorizing lease agreements for office space and operating
5 space for the Department of Human Services; the Department of Environmental Management; the
6 Department of Children, Youth and Families; the Office of Public Defender; and the Office of
7 Secretary of State.

8 SECTION 2. Human Services, 197-211 Buttonwoods Avenue, Warwick.

9 WHEREAS, The Department of Human Services holds a current lease agreement, in full
10 force and effect, with Floyd Realty Company for 10,380 square feet of space located at 197-211
11 Buttonwoods Avenue in the City of Warwick; and

12 WHEREAS, The current lease expires on June 30, 2015 and the Department of Human
13 Services wishes to renew the lease agreement with Floyd Realty Company for a period of five (5)
14 years; and

15 WHEREAS, The State of Rhode Island, acting by and through the Department of Human
16 Services, attests to the fact that there are no clauses in the lease agreement with Floyd Realty
17 Company that would interfere with the Department of Human Services lease agreement or use of
18 the facility; and

19 WHEREAS, The leased premises provide a regional location from which the Department
20 of Human Services can serve the needs of the City of Warwick and surrounding communities and
21 otherwise fulfill the mission of the Department; and

22 WHEREAS, The annual rent in the lease agreement in the current fiscal year, ending
23 June 30, 2015 is \$103,800.00; and

24 WHEREAS, The annual rent of the new lease agreement in year one is not to exceed
25 \$104,941.80 and in years two through five is not to exceed \$108,990.00; and

26 WHEREAS, The State Properties Committee now respectfully requests the approval of
27 the House of Representatives and the Senate for the lease agreement between the Department of
28 Human Services and Floyd Realty Company, for the facility located at Buttonwoods Avenue in
29 the City of Warwick; now therefore be it

30 RESOLVED, That this General Assembly hereby approves the lease agreement, for a

1 term not to exceed five (5) years at a total cost not to exceed \$540,901.80; and it be further

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

4 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
5 duly certified copies of this Resolution to the Director of the Department of Human Services, the
6 Director of Administration, and the Chair of the State Properties Committee.

7 SECTION 3. Human Services, 77 Dorrance Street, Providence.

8 WHEREAS, The Department of Human Services holds a current lease agreement, in full
9 force and effect, with 57 Associates, LLC for 25,812 square feet of space located at 77 Dorrance
10 Street in the City of Providence; and

11 WHEREAS, The current lease expires on August 31, 2015 and the Department of Human
12 Services wishes to renew the lease agreement with 57 Associates, LLC for a period of five (5)
13 years; and

14 WHEREAS, The State of Rhode Island, acting by and through the Rhode Island
15 Department of Human Services, attests to the fact that there are no clauses in the lease agreement
16 with 57 Associates, LLC that would interfere with the Department of Human Services lease
17 agreement or use of the facility; and

18 WHEREAS, The leased premises provide a central location from which the Department
19 of Human Services can serve the needs of the Rhode Island community and otherwise further and
20 fulfill the mission of the Department; and

21 WHEREAS, The annual rent in the lease agreement in the current fiscal year, ending
22 June 30, 2015 is \$362,658.60; and

23 WHEREAS, The annual rent in the new lease agreement in year one is not to exceed
24 \$362,658.60 and in years two through five of the new term is not to exceed \$401,376.60; and

25 WHEREAS, The State Properties Committee now respectfully requests the approval of
26 the House of Representatives and the Senate for the lease agreement between the Department of
27 Human Services and 57 Associates, LLC for the facility located at 77 Dorrance Street in the City
28 of Providence; now therefore be it

29 RESOLVED, That this General Assembly hereby approves the lease agreement, for a
30 term not to exceed five (5) years and at a total cost not to exceed \$1,968,165.00; and it be further

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

33 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
34 duly certified copies of this Resolution to the Director of the Department of Human Services, the

1 Director of Administration, and the Chair of the State Properties Committee.

2 SECTION 4. Environmental Management, 235 Promenade Street, Providence.

3 WHEREAS, The Department of Environmental Management currently holds a lease
4 agreement with Foundry Parcel 15 Associates, LLC for approximately 126,184 square feet of
5 office space located at 235 Promenade Street in the City of Providence; and

6 WHEREAS, The State of Rhode Island, acting by and through the Department of
7 Environmental Management, attests to the fact that there are no clauses in the lease agreement
8 with foundry Parcel 15 Associates, LLC that would interfere with the Department of
9 Environmental Management's lease agreement or use of the facility; and

10 WHEREAS, The current lease expires on July 7, 2016, and the Department of
11 Environmental Management wishes to renew the lease agreement with Foundry Parcel 15
12 Associates, LLC for a period of ten (10) years; and

13 WHEREAS, The Department of Administration intends to enter into a Tax Stabilization
14 Agreement with the City of Providence in order to stabilize taxes during the entire lease term; and

15 WHEREAS, The proposed leased premises will provide a central location from which the
16 Department of Environmental Management can serve the needs of state residents and otherwise
17 fulfill the mission of the Department; and

18 WHEREAS, The rent in the lease agreement in the current fiscal year, ending June 30,
19 2015 is \$2,441,849.00; and

20 WHEREAS, The annual rent of the new lease agreement in each of the initial five (5)
21 years of the term is not to exceed \$2,447,969.60; and in each of the following five years is not to
22 exceed 2,586,772.00; and

23 WHEREAS, The State Properties Committee now respectfully requests the approval of
24 the House of Representatives and the Senate for the lease agreement between the Department of
25 Environmental Management and Foundry Parcel 15 Associates, LLC, for the facility located at
26 235 Promenade Street in the City of Providence; and

27 RESOLVED, That this General Assembly hereby approves the lease agreement, for an
28 initial term not to exceed ten (10) years and at a total cost not to exceed \$25,173,708.00; and it be
29 further

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

32 RESOLVED, That the Secretary of State be is hereby authorized and directed to transmit
33 duly certified copies of this Resolution to the Director of the Department of Environmental
34 Management, the Director of Administration, and the Chair of the State Properties Committee.

1 SECTION 5. Children, Youth and Families, 101 Friendship Street, Providence.

2 WHEREAS, The Department of Children, Youth and Families currently holds a lease
3 agreement with Provident Property, LLC for approximately 99,500 square feet of office space
4 located at 101 Friendship Street in the City of Providence; and

5 WHEREAS, The State of Rhode Island, acting by and through the Department of
6 Children, Youth and Families, attests to the fact that there are no clauses in the lease agreement
7 with Provident Property, LLC that would interfere with the Department of Children, Youth and
8 Families lease agreement or use of the facility; and

9 WHEREAS, The current lease expires on November 30, 2015, and the Department of
10 Children, Youth and Families wishes to renew for a period of ten (10) years the lease agreement
11 with Provident Property, LLC; and

12 WHEREAS, The Department of Administration intends to enter into a Tax Stabilization
13 Agreement with the City of Providence in order to stabilize taxes during the entire lease term; and

14 WHEREAS, The Rhode Island Department of Children, Youth and Families wishes to
15 renew the lease agreement with Provident Property, LLC for a period of ten (10) years; and

16 WHEREAS, The leased premises provide a central location from which the Department
17 or Children, Youth and Families can serve the needs of state residents and otherwise fulfill the
18 mission of the Department; and

19 WHEREAS, The rent in the lease agreement in the current fiscal year ending June 30,
20 2015 is \$2,052,240; and

21 WHEREAS, The additional rent for janitorial services and parking in the current fiscal
22 year ending June 30, 2015 is \$344,712.00; and

23 WHEREAS, The annual rent of the new lease agreement in each of the initial five (5)
24 years of the term is not to exceed \$1,990,000.00; and in second five (5) years is not to exceed
25 \$2,089,500.00; and

26 WHEREAS, The additional rent for janitorial services and parking in each year of the
27 new term is not to exceed \$359,116.00; and

28 WHEREAS, The State Properties Committee now respectfully requests the approval of
29 the House of Representatives and the Senate for the lease agreement between the Department of
30 Children, Youth and Families and Provident Property, LLC, for the facility located at a 101
31 Friendship Street in the City of Providence; now therefore be it

32 RESOLVED, That this General Assembly approves the lease agreement, for a term not to
33 exceed ten (10) years and at a total cost not to exceed \$23,988,660.00; and it be further

34 RESOLVED, That this Joint Resolution shall take effect upon passage by the General

1 Assembly; and it be further

2 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
3 duly certified copies of this Resolution to the Director of the Department of Children, Youth and
4 Families, the Director of Administration, and the Chair of the State Properties Committee.

5 SECTION 6. Office of Public Defender, 160 Pine Street, Providence.

6 WHEREAS, The Office of Public Defender currently holds a lease agreement with
7 Forward Point, LLC for approximately 19,777 square feet of office space located at 160 Pine
8 Street in the City of Providence; and

9 WHEREAS, The State of Rhode Island, acting by and through the Office of Public
10 Defender, attests to the fact that there are no clauses in the lease agreement with Forward Point,
11 LLC that would interfere with the Office of Public Defender's lease agreement or use of the
12 facility; and

13 WHEREAS, The aforementioned lease expires on March 31, 2016 and the Office of
14 Public Defender wishes to renew the lease agreement with Forward Point, LLC for a period of ten
15 (10) years; and

16 WHEREAS, The Department of Administration intends to enter into a Tax Stabilization
17 Agreement with the City of Providence in order to stabilize taxes during the entire lease term; and

18 WHEREAS, The proposed leased premises will provide a central location from which the
19 Office of Public Defender can serve the needs of state residents and otherwise fulfill the mission
20 of the Office; and

21 WHEREAS, The annual rent in the lease agreement in the current fiscal year, ending
22 June 30, 2015 is \$352,063.00; and

23 WHEREAS, Additional rent for janitorial services and parking in the current fiscal year,
24 ending June 30, 2015 is \$88,500.00; and

25 WHEREAS, The annual rent of the new lease agreement in each of the initial five (5)
26 years of the term is not to exceed \$365,874.50; and in the following five (5) years is not to exceed
27 \$393,166.76; and

28 WHEREAS, The additional rent for janitorial and parking in each year of the new ten
29 (10) year term is not to exceed \$95,700.00; and

30 WHEREAS, The State Properties Committee now respectfully requests the approval of
31 the House of Representatives and the Senate for the lease agreement between the Office of Public
32 Defender and Forward Point LLC, for the facility located at 160 Pine Street in the City of
33 Providence; now therefore be it

34 RESOLVED, That this General Assembly hereby approves the lease agreement, for a

1 term not to exceed ten (10) years and at a total cost not to exceed \$4,752,206.30; and it be further

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

4 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
5 duly certified copies of this Resolution to the Director of the Office of Public Defender, the
6 Director of Administration, and the Chair of the State Properties Committee.

7 SECTION 7. Office of Secretary of State, Providence.

8 WHEREAS, The Office of Secretary of State currently holds a lease agreement with
9 West River Development, LLC for approximately 12,152 square feet of office space located at
10 148 West River Street in the City of Providence; and

11 WHEREAS, The aforementioned existing lease expires on December 31, 2015 and the
12 Office of Secretary of State wishes to advertise a Request for Proposals to secure new office
13 space located in the City of Providence; and

14 WHEREAS, The Department of Administration intends to enter into a Tax Stabilization
15 Agreement with the City of Providence in order to stabilize taxes during the entire lease term; and

16 WHEREAS, The proposed leased premises will provide a location from which the Office
17 of Secretary of State can serve the needs of the Providence and surrounding communities and
18 otherwise fulfill the mission of the Office; and

19 WHEREAS, The rent in the lease agreement in the current fiscal year, ending June 30,
20 2015 is \$337,704.08; and

21 WHEREAS, The annual rent of the new lease agreement in each of the ten (10) years of
22 the term is not to exceed an estimated amount of \$270,000.00; now therefore be it

23 RESOLVED, That this General Assembly hereby approves the lease agreement, for a
24 term not to exceed ten (10) years and at a total cost not to exceed an estimated amount of
25 \$2,700,000.00; and it be further

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

28 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
29 duly certified copies of this Resolution to the Office of Secretary of State, the Director of
30 Administration, and the Chair of the State Properties Committee.

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

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ARTICLE 4

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RELATING TO DIVISION OF MOTOR VEHICLES

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

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

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

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(c) Upon renewal, owners will be issued a renewal sticker for each registration plate which shall be placed at the bottom right hand corner of the plate. Owners shall be issued a new fully reflective plate beginning ~~September 1, 2015~~ [July 1, 2016](#) at the time of initial registration or at the renewal of an existing registration and reissuance will be conducted no less than every ten (10) years.

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SECTION 2. This article shall take effect upon passage.

1 **ARTICLE 5**

2 **THE REINVENTING MEDICAID ACT OF 2015**

3 Preamble: The following Act shall be known as "The Reinventing Medicaid Act of
4 2015", which achieves significant Medicaid savings while improving quality, controlling costs
5 and putting Rhode Island on a path toward closing a \$190 million structural deficit.

6 The Rhode Island Medicaid program is an integral component of the State's health care
7 system. Medicaid provides services and supports to as many as one out of four Rhode Islanders,
8 including low-income children and families, developmentally-disabled residents, elders and
9 individuals with severe and persistent mental illness.

10 Rhode Island currently spends more than 30 cents of every state revenue dollar on
11 Medicaid, much of it on fee-for-service payments to hospitals and nursing homes. As the
12 program's reach expands, the costs of Medicaid have continued to rise, the delivery of care has
13 become more fragmented and uncoordinated and funding for Medicaid has crowded out
14 investments for important economic development priorities like education, skills training and
15 infrastructure.

16 Given the crucial role of the Medicaid program to the state, it is of compelling
17 importance that the state conduct a fundamental restructuring of its Medicaid program that
18 achieves measurable improvement in health outcomes for the people of Rhode Island and
19 transforms the health care system to one that pays for outcomes and quality at a sustainable,
20 predictable and affordable cost for Rhode Island taxpayers and employers.

21 Rhode Island cannot build a foundation for economic growth unless the state addresses
22 its structural deficit. Nor can it tackle the structural deficit without reforming Medicaid. Rhode
23 Island needs a strong Medicaid system that functions as a safety net for the most vulnerable
24 Rhode Islanders, but it also needs a sustainable model that works for patients, providers, and
25 taxpayers.

26 The Reinventing Medicaid Act of 2015 makes a number of statutory changes to the state
27 Medicaid program, including the creation of incentive models that reward better hospitals and
28 nursing homes for better quality and better coordination, a pilot coordinated care program that
29 establishes person-centered care and payment methods, targeted community-based programs for
30 individuals who need intensive services and managed care for Rhode Islanders with severe and

1 persistent mental illness.

2 This Act shall be known as the "Reinventing Medicaid Act of 2015."

3 SECTION 1. Chapter 15-10 of the General Laws entitled "Support of Parents" is hereby
4 amended by adding thereto the following section:

5 **15-10-8. Support for certain patients of nursing facilities. --** The uncompensated costs
6 of care provided by a licensed nursing facility to any person may be recovered by the nursing
7 facility from any child of that person who is above the age of eighteen (18) years, to the extent
8 that the child previously received a transfer of any interests or assets from the person receiving
9 such care, which transfer resulted in a period of Medicaid ineligibility imposed pursuant to 42
10 USC 1396p(c), as amended from time to time, on a person whose assets have been transferred for
11 less than fair market value.

12 Recourse hereunder shall be limited to the fair market value of the interests or assets
13 transferred at the time of transfer. For the purposes of this section "the costs of care" shall mean
14 the costs of providing care, including nursing care, personal care, meals, transportation and any
15 other costs, charges, and expenses incurred by the facility. Costs of care shall not exceed the
16 customary rate the nursing facility charges to a patient who pays for his or her care directly rather
17 than through a governmental or other third party payor. Nothing contained in this section shall
18 prohibit or otherwise diminish any other causes of action possessed by any such nursing facility.
19 The death of the person receiving nursing facility care shall not nullify or otherwise affect the
20 liability of the person or persons charged with the costs of care hereunder.

21 SECTION 2. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
22 "Licensing of Health Care Facilities" is hereby amended to read as follows:

23 **23-17-38.1 Hospitals - Licensing fee. --** ~~(a) There is imposed a hospital licensing fee at~~
24 ~~the rate of five and four hundred eighteen thousandths percent (5.418%) upon the net patient~~
25 ~~services revenue of every hospital for the hospital's first fiscal year ending on or after January 1,~~
26 ~~2012, except that the license fee for all hospitals located in Washington County, Rhode Island,~~
27 ~~shall be discounted by thirty seven percent (37%). The discount for Washington County hospitals~~
28 ~~is subject to approval by the Secretary of the US Department of Health and Human Services of a~~
29 ~~state plan amendment submitted by the executive office of health and human services for the~~
30 ~~purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This~~
31 ~~licensing fee shall be administered and collected by the tax administrator, division of taxation~~
32 ~~within the department of revenue, and all the administration, collection, and other provisions of~~
33 ~~chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax~~
34 ~~administrator on or before July 14, 2014, and payments shall be made by electronic transfer of~~

1 ~~monies to the general treasurer and deposited to the general fund. Every hospital shall, on or~~
2 ~~before June 16, 2014, make a return to the tax administrator containing the correct computation of~~
3 ~~net patient services revenue for the hospital fiscal year ending September 30, 2012, and the~~
4 ~~licensing fee due upon that amount. All returns shall be signed by the hospital's authorized~~
5 ~~representative, subject to the pains and penalties of perjury.~~

6 ~~(b)~~(a) There is ~~also~~ imposed a hospital licensing fee at the rate of five and seven hundred
7 ~~three~~ forty-five thousandths percent ~~(5.703%)~~ (5.745%) upon the net patient services revenue of
8 every hospital for the hospital's first fiscal year ending on or after January 1, 2013, except that the
9 license fee for all hospitals located in Washington County, Rhode Island shall be discounted by
10 thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval
11 by the Secretary of the US Department of Health and Human Services of a state plan amendment
12 submitted by the executive office of health and human services for the purpose of pursuing a
13 waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be
14 administered and collected by the tax administrator, division of taxation within the department of
15 revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall
16 apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13,
17 2015 and payments shall be made by electronic transfer of monies to the general treasurer and
18 deposited to the general fund. Every hospital shall, on or before June 15, 2015, make a return to
19 the tax administrator containing the correct computation of net patient services revenue for the
20 hospital fiscal year ending September 30, 2013, and the licensing fee due upon that amount. All
21 returns shall be signed by the hospital's authorized representative, subject to the pains and
22 penalties of perjury.

23 (b) There is also imposed a hospital licensing fee at the rate of five and eight hundred
24 sixty-two thousandths percent (5.862%) upon the net patient services revenue of every hospital
25 for the hospital's first fiscal year ending on or after January 1, 2014, except that the license fee for
26 all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven
27 percent (37%). The discount for Washington County hospitals is subject to approval by the
28 Secretary of the US Department of Health and Human Services of a state plan amendment
29 submitted by the executive office of health and human services for the purpose of pursuing a
30 waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be
31 administered and collected by the tax administrator, division of taxation within the department of
32 revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall
33 apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 11,
34 2016 and payments shall be made by electronic transfer of monies to the general treasurer and

1 deposited to the general fund. Every hospital shall, on or before June 13, 2016, make a return to
2 the tax administrator containing the correct computation of net patient services revenue for the
3 hospital fiscal year ending September 30, 2014, and the licensing fee due upon that amount. All
4 returns shall be signed by the hospital's authorized representative, subject to the pains and
5 penalties of perjury.

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

8 (1) "Hospital" means ~~a person or governmental unit duly licensed in accordance with this~~
9 ~~chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and~~
10 ~~primary bed inventory are psychiatric.~~ the actual facilities and buildings in existence in Rhode
11 Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises
12 included on that license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital
13 conversions) and §23-17-6 (b) (change in effective control), that provides short-term acute
14 inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for
15 injury, illness, disabilities, or pregnancy.

16 (2) "Gross patient services revenue" means the gross revenue related to patient care
17 services.

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

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

24 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
25 that are duly licensed on July 1, ~~2014~~ 2015, and shall be in addition to the inspection fee imposed
26 by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

27 SECTION 3. Section 23-17.5-17 of the General Laws in Chapter 23-17.5 entitled "Rights
28 of Nursing Home Patients" is hereby amended to read as follows:

29 **23-17.5-17. Transfer to another facility.** -- (a) Before transferring a patient to another
30 facility or level of care within a facility, the patient shall be informed of the need for the transfer
31 and of any alternatives to the transfer.

32 (b) A patient shall be transferred or discharged only for medical reasons, or for the
33 patient's welfare or that of other patients or for nonpayment of the patient's stay. A facility
34 seeking to discharge a patient for nonpayment of the patient's stay must, if the patient has been a

1 patient of the facility for thirty (30) days or longer, provide the patient and, if known, a family
2 member or legal representative of the patient, with written notice of the proposed discharge thirty
3 (30) days in advance of the discharge.

4 (c) The patient may file an appeal of the proposed discharge with the state agency
5 designated for hearing such appeals, and if the appeal is received by that agency within ten days
6 after the date of written notice, the patient may remain in the facility until the decision of the
7 hearing officer. For appeals where the patient remains in the facility:

8 (i) Any hearing on the appeal shall be scheduled no later than thirty (30) days after the
9 receipt by the state agency of the request for appeal;

10 (ii) No more than one request for continuance by the patient shall be permitted and, if
11 granted, the hearing on the appeal must be rescheduled for a date and time no later than forty (40)
12 days after the receipt by the state agency of the request for appeal; and

13 (iii) The decision of the hearing officer shall be rendered as soon as possible, but in any
14 event within five (5) days after the date of the hearing.

15 ~~(e)~~(d) Reasonable advance notice of transfers to health care facilities other than hospitals
16 shall be given to ensure orderly transfer or discharge and those actions shall be documented in the
17 medical record.

18 ~~(d)~~(e) In the event that a facility seeks a variance from the required thirty (30) day notice
19 of closure of the facility, reasonable advance notice of the hearing for the variance shall be given
20 by the facility to the patient, his or her guardian, or relative so appointed or elected to be his or
21 her decision-maker, and an opportunity to be present at the hearing shall be granted to the
22 designated person.

23 ~~(e)~~(f) In the event of the voluntary closure of a facility, which closure is the result of a
24 variance from the required thirty (30) day notice of closure, granted by the director of the
25 department of health, reasonable advance notice of the closure shall be given by the facility to the
26 patient, his or her guardian, or relative so appointed or elected to be his or her decision-maker.

27 (g) Nothing herein shall be construed to relieve a patient from any obligation to pay for
28 the patient's stay in a facility.

29 SECTION 4. Section 27-18-64 of the General Laws in Chapter 27-18 entitled "Accident
30 and Sickness Insurance Policies" is hereby amended to read as follows:

31 **27-18-64. Coverage for early intervention services.** -- (a) Every individual or group
32 hospital or medical expense insurance policy or contract providing coverage for dependent
33 children, delivered or renewed in this state on or after July 1, 2004, shall include coverage of
34 early intervention services which coverage shall take effect no later than January 1, 2005. Such

1 coverage ~~shall be limited to a benefit of five thousand dollars (\$5,000) per dependent child per~~
2 ~~policy or calendar year and~~ shall not be subject to deductibles and coinsurance factors. Any
3 amount paid by an insurer under this section for a dependent child shall not be applied to any
4 annual or lifetime maximum benefit contained in the policy or contract. For the purpose of this
5 section, "early intervention services" means, but is not limited to, speech and language therapy,
6 occupational therapy, physical therapy, evaluation, case management, nutrition, service plan
7 development and review, nursing services, and assistive technology services and devices for
8 dependents from birth to age three (3) who are certified by the ~~department of human services~~
9 executive office of health and human services as eligible for services under part C of the
10 Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.).

11 (b) ~~Subject to the annual limits provided in this section, insurers~~ Insurers shall
12 reimburse certified early intervention providers, who are designated as such by the ~~Department of~~
13 ~~Human Services~~ executive office, for early intervention services as defined in this section ~~at rates~~
14 ~~of reimbursement equal to or greater than the prevailing integrated state/Medicaid rate for early~~
15 ~~intervention services as established by the Department of Human Services.~~

16 (c) This section shall not apply to insurance coverage providing benefits for: (1)
17 hospital confinement indemnity; (2) disability income; (3) accident only; (4) long-term care; (5)
18 Medicare supplement; (6) limited benefit health; (7) specified disease indemnity; (8) sickness or
19 bodily injury or death by accident or both; and (9) other limited benefit policies.

20 SECTION 5. Section 27-20.11-3 of the General Laws in Chapter 27-20.11 entitled
21 "Autism Spectrum Disorders" is hereby amended to read as follows:

22 **27-20.11-3. Scope of coverage.** -- (a) Benefits under this section shall include coverage
23 for pharmaceuticals, applied behavior analysis, physical therapy, speech therapy, psychology,
24 psychiatric and occupational therapy services for the treatment of Autism spectrum disorders, as
25 defined in the most recent edition of the DSM. Provided, however:

26 (1) Coverage for physical therapy, speech therapy and occupational therapy and
27 psychology, psychiatry and pharmaceutical services shall be, to the extent such services are a
28 covered benefit for other diseases and conditions under such policy ; and

29 (2) Applied behavior analysis: ~~shall be limited to thirty two thousand dollars (\$32,000)~~
30 ~~per person per year.~~

31 (b) Benefits under this section shall continue until the covered individual reaches age
32 fifteen (15).

33 (c) The health care benefits outlined in this chapter apply only to services delivered
34 within the State of Rhode Island; provided, that all health insurance carriers shall be required to

1 provide coverage for those benefits mandated by this chapter outside of the State of Rhode Island
2 where it can be established through a pre-authorization process that the required services are not
3 available in the State of Rhode Island from a provider in the health insurance carrier's network.

4 SECTION 6: Section 35-17-1 of the General Laws in Chapter 35-17 entitled "Medical
5 Assistance and Public Assistance Caseload Estimating Conferences" is hereby amended to read
6 as follows:

7 **35-17-1. Purpose and membership.** -- (a) In order to provide for a more stable and
8 accurate method of financial planning and budgeting, it is hereby declared the intention of the
9 legislature that there be a procedure for the determination of official estimates of anticipated
10 medical assistance expenditures and public assistance caseloads, upon which the executive budget
11 shall be based and for which appropriations by the general assembly shall be made.

12 (b) The state budget officer, the house fiscal advisor, and the senate fiscal advisor shall
13 meet in regularly scheduled caseload estimating conferences (C.E.C.). These conferences shall be
14 open public meetings.

15 (c) The chairpersonship of each regularly scheduled C.E.C. will rotate among the state
16 budget officer, the house fiscal advisor, and the senate fiscal advisor, hereinafter referred to as
17 principals. The schedule shall be arranged so that no chairperson shall preside over two (2)
18 successive regularly scheduled conferences on the same subject.

19 (d) Representatives of all state agencies are to participate in all conferences for which
20 their input is germane.

21 (e) The department of human services shall provide monthly data to the members of the
22 caseload estimating conference by the fifteenth day of the following month. Monthly data shall
23 include, but is not limited to, actual caseloads and expenditures for the following case assistance
24 programs: Rhode Island Works, SSI state program, general public assistance, and child care. The
25 executive office of health and human services shall report relevant caseload information and
26 expenditures for the following medical assistance categories: hospitals, long-term care, managed
27 care, pharmacy, and other medical services. In the category of managed care, caseload
28 information and expenditures for the following populations shall be separately identified and
29 reported: children with disabilities, children in foster care, and children receiving adoption
30 assistance. The information shall include the number of Medicaid recipients whose estate may be
31 subject to a recovery and the anticipated amount to be collected from those subject to recovery
32 estate, and the total recoveries collected each month and number of estates attached to the
33 collections and each month, the number of open cases and the number of cases that have been
34 open longer than three months.

1 SECTION 7. Section 40-5-13 of the General Laws in Chapter 40-5 entitled "Support of
2 the Needy" is hereby amended to read as follows:

3 **40-5-13. Obligation of kindred for support.** – (a) The kindred of any poor person, if
4 any he or she shall have in the line or degree of father or grandfather, mother or grandmother,
5 children or grandchildren, by consanguinity, or children by adoption, living within this state and
6 of sufficient ability, shall be holden to support the pauper in proportion to their ability.

7 (b) The uncompensated costs of care provided by a licensed nursing facility to any
8 person may be recovered by the nursing facility from any person who is obligated to provide
9 support to that patient under subsection (a) hereof, to the extent that the individual so obligated
10 received a transfer of any interests or assets from the patient receiving such care, which transfer
11 resulted in a period of Medicaid ineligibility imposed pursuant to 42 USC 1396p(c), as amended
12 from time to time, on a person whose assets have been transferred for less than fair market value.

13 Recourse hereunder shall be limited to the fair market value of the interests or assets
14 transferred at the time of transfer. For the purposes of this section "the costs of care" shall mean
15 the costs of providing care, including nursing care, personal care, meals, transportation and any
16 other costs, charges, and expenses incurred by the facility. Costs of care shall not exceed the
17 customary rate the nursing facility charges to a patient who pays for his or her care directly rather
18 than through a governmental or other third party payor. Nothing contained in this section shall
19 prohibit or otherwise diminish any other causes of action possessed by any such nursing facility.
20 The death of the person receiving nursing facility care shall not nullify or otherwise affect the
21 liability of the person or persons charged with the costs of care hereunder.

22 SECTION 8. Sections 40-6-27 and 40-6-27.2 of the General Laws in Chapter 40-6
23 entitled General Public Assistance are hereby amended to read as follows:

24 **40-6-27. Supplemental security income.** -- (a)(1) The director of the department is
25 hereby authorized to enter into agreements on behalf of the state with the secretary of the U.S.
26 Department of Health and Human Services or other appropriate federal officials, under the
27 supplementary and security income (SSI) program established by title XVI of the Social Security
28 Act, 42 U.S.C. § 1381 et seq., concerning the administration and determination of eligibility for
29 SSI benefits for residents of this state, except as otherwise provided in this section. The state's
30 monthly share of supplementary assistance to the supplementary security income program shall
31 be as follows:

32 (i) Individual living alone: \$39.92

33 (ii) Individual living with others: \$51.92

34 (iii) Couple living alone: \$79.38

- 1 (iv) Couple living with others: \$97.30
- 2 (v) Individual living in state licensed assisted living residence: \$332.00
- 3 (vi) Individual eligible to receive Medicaid-funded long-term services and supports
- 4 and living in a Medicaid certified state licensed assisted living residence or adult supportive
- 5 housing care residence, as defined in §23-17.24, participating in the program authorized under §
- 6 40-8.13-2.1:
- 7 (a) with countable income above one hundred and twenty (120) percent of poverty: up to
- 8 \$465.00;
- 9 (b) with countable income at or below one hundred and twenty (120) percent of poverty:
- 10 up to the total amount established in (v) and \$465: \$797
- 11 ~~(vi)~~(vii) Individual living in state licensed supportive residential care settings that,
- 12 depending on the population served, meet the standards set by the department of human services
- 13 in conjunction with the department(s) of children, youth and families, elderly affairs and/or
- 14 behavioral healthcare, developmental disabilities and hospitals: \$300.00.
- 15 Provided, however, that the department of human services shall by regulation reduce,
- 16 effective January 1, 2009, the state's monthly share of supplementary assistance to the
- 17 supplementary security income program for each of the above listed payment levels, by the same
- 18 value as the annual federal cost of living adjustment to be published by the federal social security
- 19 administration in October 2008 and becoming effective on January 1, 2009, as determined under
- 20 the provisions of title XVI of the federal social security act [42 U.S.C. § 1381 et seq.]; and
- 21 provided further, that it is the intent of the general assembly that the January 1, 2009 reduction in
- 22 the state's monthly share shall not cause a reduction in the combined federal and state payment
- 23 level for each category of recipients in effect in the month of December 2008; provided further,
- 24 that the department of human services is authorized and directed to provide for payments to
- 25 recipients in accordance with the above directives.
- 26 (2) As of July 1, 2010, state supplement payments shall not be federally administered
- 27 and shall be paid directly by the department of human services to the recipient.
- 28 (3) Individuals living in institutions shall receive a twenty dollar (\$20.00) per month
- 29 personal needs allowance from the state which shall be in addition to the personal needs
- 30 allowance allowed by the Social Security Act, 42 U.S.C. § 301 et seq.
- 31 (4) Individuals living in state licensed supportive residential care settings and assisted
- 32 living residences who are receiving SSI supplemental payments under this section who are
- 33 participating in the program under §40-8.13-2.1 or otherwise shall be allowed to retain a
- 34 minimum personal needs allowance of fifty-five dollars (\$55.00) per month from their SSI

1 monthly benefit prior to payment of any monthly fees in addition to any amounts established in
2 an administrative rule promulgated by the secretary of the executive office of health and human
3 services for persons eligible to receive Medicaid-funded long-term services and supports in the
4 settings identified in subsection (a)(1)(v) and (a)(1)(vi).

5 (5) Except as authorized for the program authorized under §40-8.13-2.1, To to ensure
6 that supportive residential care or an assisted living residence is a safe and appropriate service
7 setting, the department is authorized and directed to make a determination of the medical need
8 and whether a setting provides the appropriate services for those persons who:

9 (i) Have applied for or are receiving SSI, and who apply for admission to supportive
10 residential care setting and assisted living residences on or after October 1, 1998; or

11 (ii) Who are residing in supportive residential care settings and assisted living
12 residences, and who apply for or begin to receive SSI on or after October 1, 1998.

13 (6) The process for determining medical need required by subsection ~~(4)~~ (5) of this
14 section shall be developed by the office of health and human services in collaboration with the
15 departments of that office and shall be implemented in a manner that furthers the goals of
16 establishing a statewide coordinated long-term care entry system as required pursuant to the
17 ~~Global Consumer Choice Compact Waiver~~ Medicaid section 1115 waiver demonstration.

18 (7) To assure access to high quality coordinated services, the ~~department~~ executive
19 office of health and human services is further authorized and directed to establish ~~rules specifying~~
20 ~~the payment~~ certification or contract standards that must be met by those state licensed supportive
21 residential care settings, including adult supportive care homes and assisted living residences
22 admitting or serving any persons eligible for state-funded supplementary assistance under this
23 section or the program established under §40-8.13-2.1. Such ~~payment~~ certification or contract
24 standards shall define:

25 (i) The scope and frequency of resident assessments, the development and
26 implementation of individualized service plans, staffing levels and qualifications, resident
27 monitoring, service coordination, safety risk management and disclosure, and any other related
28 areas;

29 (ii) The procedures for determining whether the ~~payment~~ certifications or contract
30 standards have been met; and

31 (iii) The criteria and process for granting a one time, short-term good cause exemption
32 from the ~~payment~~ certification or contract standards to a licensed supportive residential care
33 setting or assisted living residence that provides documented evidence indicating that meeting or
34 failing to meet said standards poses an undue hardship on any person eligible under this section

1 who is a prospective or current resident.

2 (8) The ~~payment~~ certification or contract standards required by this section or § 40-
3 8.13-2.1 shall be developed in collaboration by the departments, under the direction of the
4 executive office of health and human services, so as to ensure that they comply with applicable
5 licensure regulations either in effect or in development.

6 (b) The department is authorized and directed to provide additional assistance to
7 individuals eligible for SSI benefits for:

8 (1) Moving costs or other expenses as a result of an emergency of a catastrophic nature
9 which is defined as a fire or natural disaster; and

10 (2) Lost or stolen SSI benefit checks or proceeds of them; and

11 (3) Assistance payments to SSI eligible individuals in need because of the application
12 of federal SSI regulations regarding estranged spouses; and the department shall provide such
13 assistance in a form and an amount in which the department shall by regulation determine.

14 **40-6-27.2. Supplementary cash assistance payment for certain supplemental security**
15 **income recipients.** -- There is hereby established a \$206 monthly payment for disabled and
16 elderly individuals who, on or after July 1, 2012, receive the state supplementary assistance
17 payment for an individual in state licensed assisted living residence under § 40-6-27 and further
18 reside in an assisted living facility that is not eligible to receive funding under Title XIX of the
19 Social Security Act, 42 U.S.C. § 1381 et seq., ~~including through the program authorized under~~
20 ~~§40-8.13-2.1~~ or reside in any assisted living facility financed by the Rhode Island housing and
21 mortgage finance corporation prior to January 1, 2006, and receive a payment under § 40-6-27.
22 Such a monthly payment shall not be made on behalf of persons participating in the program
23 authorized under §40-8.13-2.

24 SECTION 9. Sections 40-8-4 and 40-8-13.4 of the General Laws in Chapter 40-8 entitled
25 "Medical Assistance" is hereby amended to read as follows:

26 **40-8-4. Direct vendor payment plan.** -- (a) The department shall furnish medical care
27 benefits to eligible beneficiaries through a direct vendor payment plan. The plan shall include, but
28 need not be limited to, any or all of the following benefits, which benefits shall be contracted for
29 by the director:

30 (1) Inpatient hospital services, other than services in a hospital, institution, or facility
31 for tuberculosis or mental diseases;

32 (2) Nursing services for such period of time as the director shall authorize;

33 (3) Visiting nurse service;

34 (4) Drugs for consumption either by inpatients or by other persons for whom they are

1 prescribed by a licensed physician;

2 (5) Dental services; and

3 (6) Hospice care up to a maximum of two hundred and ten (210) days as a lifetime
4 benefit.

5 (b) For purposes of this chapter, the payment of federal Medicare premiums or other
6 health insurance premiums by the department on behalf of eligible beneficiaries in accordance
7 with the provisions of Title XIX of the federal Social Security Act, 42 U.S.C. § 1396 et seq., shall
8 be deemed to be a direct vendor payment.

9 (c) With respect to medical care benefits furnished to eligible individuals under this
10 chapter or Title XIX of the federal Social Security Act, the department is authorized and directed
11 to impose:

12 (i) Nominal co-payments or similar charges upon eligible individuals for non-
13 emergency services provided in a hospital emergency room; and

14 (ii) Co-payments for prescription drugs in the amount of one dollar (\$1.00) for generic
15 drug prescriptions and three dollars (\$3.00) for brand name drug prescriptions in accordance with
16 the provisions of 42 U.S.C. § 1396, et seq.

17 (d) The department is authorized and directed to promulgate rules and regulations to
18 impose such co-payments or charges and to provide that, with respect to subdivision (ii) above,
19 those regulations shall be effective upon filing.

20 (e) No state agency shall pay a vendor for medical benefits provided to a recipient of
21 assistance under this chapter until and unless the vendor has submitted a claim for payment to a
22 commercial insurance plan, Medicare, and/or a Medicaid managed care plan, if applicable for that
23 recipient, in that order. [This includes payments for skilled nursing and therapy services](#)
24 [specifically outlined in Chapter 7, 8 and 15 of the Medicare Benefit Policy Manual.](#)

25 SECTION 10. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
26 amended by adding thereto the following section:

27 **40-8-6.1. Nursing facility care during pendency of application. -- (a) Definitions.**

28 [For purposes of this section, the following terms shall have the meanings indicated:](#)

29 ["Applied Income" – The amount of income a Medicaid beneficiary is required to](#)
30 [contribute to the cost of his or her care.](#)

31 ["Authorized Representative" – An individual who signs an application for Medicaid](#)
32 [benefits on behalf of a Medicaid Applicant](#)

33 ["Complete Application" – An application for Medicaid benefits filed by or on behalf of](#)
34 [an individual receiving care and services from a nursing facility, including attachments and](#)

1 supplemental information as necessary, which provides sufficient information for the director or
2 designee to determine the applicant's eligibility for coverage. An application shall not be
3 disqualified from status as a complete application hereunder except for failure on the part of the
4 Medicaid applicant, or his or her authorized representative, to provide necessary information or
5 documentation, or to take any other action necessary to make the application a complete
6 application.

7 "Medicaid Applicant" – An individual who is receiving care in a nursing facility during
8 the pendency of an application for Medicaid benefits.

9 "Nursing Facility" – A nursing facility licensed under Chapter 17 of Title 23, which is a
10 participating provider in the Rhode Island Medicaid program.

11 "Uncompensated Care" – Care and services provided by a nursing facility to a Medicaid
12 applicant without receiving compensation therefore from Medicaid, Medicare, the Medicaid
13 applicant, or other source. The acceptance of any payment representing actual or estimated
14 applied income shall not disqualify the care and services provided from qualifying as
15 uncompensated care.

16 (b) Uncompensated Care During Pendency of an Application for Benefits. A nursing
17 facility may not discharge a Medicaid applicant for non-payment of the facility's bill during the
18 pendency of a complete application; nor may a nursing facility charge a Medicaid applicant for
19 care provided during the pendency of a complete application, except for an amount representing
20 the estimated applied income. A nursing facility may discharge a Medicaid applicant for non-
21 payment of the facility's bill during the pendency of an application for Medicaid coverage that is
22 not a complete application, but only if the nursing facility has provided the patient (and his or her
23 authorized representative, if known) with thirty (30) days' written notice of its intention to do so,
24 and the application remains incomplete during that thirty (30) day period.

25 (c) Notice Of Application Status. When a nursing facility is providing uncompensated
26 care to a Medicaid applicant, then the nursing facility may inform the director or designee of its
27 status, and the director or designee shall thereafter inform the nursing facility of any decision on
28 the application at the time the decision is rendered and, if coverage is approved, of the date that
29 coverage will begin. In addition, a nursing facility providing uncompensated care to a Medicaid
30 applicant may inquire of the director or designee as to the status of that individual's application,
31 and the director or designee shall respond within five business days as follows:

32 (i) Without Release – If the nursing facility has not obtained a signed release authorizing
33 disclosure of information to the facility, the director or designee must provide the following
34 information only, in writing: (a) whether or not the application has been approved; (b) the identity

1 [of any authorized representative; and \(c\) if the application has not yet been decided, whether or](#)
2 [not the application is a complete application.](#)

3 [\(ii\) With Release – If the nursing facility has obtained a signed release, the director or](#)
4 [designee must additionally provide any further information requested by the nursing facility, to](#)
5 [the extent that the release permits its disclosure.](#)

6 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
7 **services.** -- (a) The executive office of health and human services shall implement a new
8 methodology for payment for in state and out of state hospital services in order to ensure access
9 to and the provision of high quality and cost-effective hospital care to its eligible recipients.

10 (b) In order to improve efficiency and cost effectiveness, the executive office of health
11 and human services shall:

12 (1)(A) With respect to inpatient services for persons in fee for service Medicaid, which
13 is non-managed care, implement a new payment methodology for inpatient services utilizing the
14 Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method
15 which provides a means of relating payment to the hospitals to the type of patients cared for by
16 the hospitals. It is understood that a payment method based on Diagnosis Related Groups may
17 include cost outlier payments and other specific exceptions. The executive office will review the
18 DRG payment method and the DRG base price annually, making adjustments as appropriate in
19 consideration of such elements as trends in hospital input costs, patterns in hospital coding,
20 beneficiary access to care, and the Center for Medicare and Medicaid Services national CMS
21 Prospective Payment System (IPPS) Hospital Input Price index. [For the twelve \(12\) month period](#)
22 [beginning July 1, 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services](#)
23 [shall not exceed ninety-seven and one-half percent \(97.5%\) of the payment rates in effect as of](#)
24 [July 1, 2014.](#)

25 (B) With respect to inpatient services, (i) it is required as of January 1, 2011 until
26 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
27 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
28 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month
29 period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid
30 Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the
31 applicable period; (ii) provided, however, for the twenty-four (24) month period beginning July 1,
32 2013 the Medicaid managed care payment rates between each hospital and health plan shall not
33 exceed the payment rates in effect as of January 1, 2013 [and for the twelve \(12\) month period](#)
34 [beginning July 1, 2015, the Medicaid managed care payment inpatient rates between each](#)

1 hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
2 payment rates in effect as of January 1, 2013; (iii) negotiated increases in inpatient hospital
3 payments for each annual twelve (12) month period beginning July 1, ~~2015~~ 2016 may not exceed
4 the Centers for Medicare and Medicaid Services national CMS Prospective Payment System
5 (IPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period; (iv)
6 The Rhode Island executive office of health and human services will develop an audit
7 methodology and process to assure that savings associated with the payment reductions will
8 accrue directly to the Rhode Island Medicaid program through reduced managed care plan
9 payments and shall not be retained by the managed care plans; (v) All hospitals licensed in Rhode
10 Island shall accept such payment rates as payment in full; and (vi) for all such hospitals,
11 compliance with the provisions of this section shall be a condition of participation in the Rhode
12 Island Medicaid program.

13 (2) With respect to outpatient services and notwithstanding any provisions of the law to
14 the contrary, for persons enrolled in fee for service Medicaid, the executive office will reimburse
15 hospitals for outpatient services using a rate methodology determined by the executive office and
16 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
17 payments for similar services. Notwithstanding the above, there shall be no increase in the
18 Medicaid fee-for-service outpatient rates effective on July 1, 2013 ~~or~~ July 1, 2014, or July 1,
19 2015. For the twelve (12) month period beginning July 1, 2015, Medicaid fee-for-service
20 outpatient rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect
21 as of July 1, 2014. Thereafter, changes to outpatient rates will be implemented on July 1 each
22 year and shall align with Medicare payments for similar services from the prior federal fiscal
23 year. With respect to the outpatient rate, (i) it is required as of January 1, 2011 until December 31,
24 2011, that the Medicaid managed care payment rates between each hospital and health plan shall
25 not exceed one hundred percent (100%) of the rate in effect as of June 30, 2010. Negotiated
26 increases in hospital outpatient payments for each annual twelve (12) month period beginning
27 January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS
28 Outpatient Prospective Payment System (OPPS) hospital price index for the applicable period;
29 (ii) provided, however, for the twenty-four (24) month period beginning July 1, 2013 the
30 Medicaid managed care outpatient payment rates between each hospital and health plan shall not
31 exceed the payment rates in effect as of January 1, 2013 and for the twelve (12) month period
32 beginning July 1, 2015, the Medicaid managed care outpatient payment rates between each
33 hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
34 payment rates in effect as of January 1, 2013; (iii) negotiated increases in outpatient hospital

1 payments for each annual twelve (12) month period beginning July 1, ~~2015~~ 2016 may not exceed
2 the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment
3 System (OPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable
4 period.

5 (3) "Hospital" as used in this section shall mean the actual facilities and buildings in
6 existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter
7 any premises included on that license, regardless of changes in licensure status pursuant to § 23-
8 17.14 (hospital conversions) and § 23-17-6 (b) (change in effective control), that provides short-
9 term acute inpatient and/or outpatient care to persons who require definitive diagnosis and
10 treatment for injury, illness, disabilities, or pregnancy.

11 (c) It is intended that payment utilizing the Diagnosis Related Groups method shall
12 reward hospitals for providing the most efficient care, and provide the executive office the
13 opportunity to conduct value based purchasing of inpatient care.

14 (d) The secretary of the executive office of health and human services is hereby
15 authorized to promulgate such rules and regulations consistent with this chapter, and to establish
16 fiscal procedures he or she deems necessary for the proper implementation and administration of
17 this chapter in order to provide payment to hospitals using the Diagnosis Related Group payment
18 methodology. Furthermore, amendment of the Rhode Island state plan for medical assistance
19 (Medicaid) pursuant to Title XIX of the federal Social Security Act is hereby authorized to
20 provide for payment to hospitals for services provided to eligible recipients in accordance with
21 this chapter.

22 (e) The executive office shall comply with all public notice requirements necessary to
23 implement these rate changes.

24 (f) As a condition of participation in the DRG methodology for payment of hospital
25 services, every hospital shall submit year-end settlement reports to the executive office within one
26 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
27 a year-end settlement report as required by this section, the executive office shall withhold
28 financial cycle payments due by any state agency with respect to this hospital by not more than
29 ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent
30 fiscal years, hospitals will not be required to submit year-end settlement reports on payments for
31 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
32 be required to submit year-end settlement reports on claims for hospital inpatient services.
33 Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include
34 only those claims received between October 1, 2009 and June 30, 2010.

1 (g) The provisions of this section shall be effective upon implementation of the
2 amendments and new payment methodology pursuant to this section and § 40-8-13.3, which shall
3 in any event be no later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-
4 19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

5 **40-8-13.5. Hospital Incentive Program (HIP).** -- The secretary of the executive office
6 of health and human services is authorized to seek the federal authorities required to implement a
7 hospital incentive program (HIP). The HIP shall provide the participating licensed hospitals the
8 ability to obtain certain payments for achieving performance goals established by the secretary.
9 HIP payments shall commence no earlier than July 1, 2016.

10 SECTION 11. Section 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical
11 Assistance" is hereby amended to read as follows:

12 **40-8-19. Rates of payment to nursing facilities.** -- (a) Rate reform. (1) The rates to be
13 paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to
14 participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible
15 residents, shall be reasonable and adequate to meet the costs which must be incurred by
16 efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13). The
17 executive office of health and human services shall promulgate or modify the principles of
18 reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with the
19 provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

20 (2) The executive office of health and human services ("Executive Office") shall review
21 the current methodology for providing Medicaid payments to nursing facilities, including other
22 long-term care services providers, and is authorized to modify the principles of reimbursement to
23 replace the current cost based methodology rates with rates based on a price based methodology
24 to be paid to all facilities with recognition of the acuity of patients and the relative Medicaid
25 occupancy, and to include the following elements to be developed by the executive office:

- 26 (i) A direct care rate adjusted for resident acuity;
- 27 (ii) An indirect care rate comprised of a base per diem for all facilities;
- 28 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015,
29 which may or may not result in automatic per diem revisions;
- 30 (iv) Application of a fair rental value system;
- 31 (v) Application of a pass-through system; and
- 32 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
33 index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will
34 not occur on October 1, 2013 or October 1, 2015 but will ~~resume~~ occur on April 1, 2015. Said

1 inflation index shall be applied without regard for the transition factor in subsection (b)(2) below.

2 (b) Transition to full implementation of rate reform. For no less than four (4) years after
3 the initial application of the price-based methodology described in subdivision (a)(2) to payment
4 rates, the executive office of health and human services shall implement a transition plan to
5 moderate the impact of the rate reform on individual nursing facilities. Said transition shall
6 include the following components:

7 (1) No nursing facility shall receive reimbursement for direct care costs that is less than
8 the rate of reimbursement for direct care costs received under the methodology in effect at the
9 time of passage of this act; and

10 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate
11 the first year of the transition. ~~The An~~ adjustment to the per diem loss or gain may be phased out
12 by twenty-five percent (25%) each year; except, however, for the year beginning October 1, 2015,
13 there shall be no adjustment to the per diem gain or loss, gain during state fiscal year 2016, but it
14 may resume the phase out shall resume thereafter; and

15 (3) The transition plan and/or period may be modified upon full implementation of
16 facility per diem rate increases for quality of care related measures. Said modifications shall be
17 submitted in a report to the general assembly at least six (6) months prior to implementation.

18 (4) Notwithstanding any law to the contrary, for the twelve (12) month period beginning
19 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section
20 shall not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015.

21 **40-8-19.2. Nursing Facility Incentive Program (NFIP).** -- The secretary of the
22 executive office of health and human services is authorized to seek the federal authority required
23 to implement a nursing facility incentive program (NFIP). The NFIP shall provide the
24 participating licensed nursing facilities the ability to obtain certain payments for achieving
25 performance goals established by the secretary. NFIP payments shall commence no earlier than
26 July 1, 2016.

27 SECTION 12. Sections 40-8.2-2 to 40-8.2-4, 40-8.2-10 to 40-8.2-12, and 40-8.2-14 to
28 40-8.2-22 of the General Laws in Chapter 40-8.2 entitled "Medical Assistance Fraud " are
29 hereby amended to read as follows:

30 **40-8.2-1. Short title.** -- This chapter shall be known as the "Rhode Island Medical
31 Assistance Fraud Law".

32 **40-8.2-2. Definitions.** -- Whenever used in this chapter:

33 (1) "Benefit" means pecuniary benefit as defined herein.

34 (2) "Claim" means any request for payment, electronic or otherwise, and shall also

1 include any data commonly known as encounter data, which is used or is to be used for the
2 development of a capitation fee payable to a provider of managed health care goods, merchandise
3 or services.

4 (3) ~~"Department" means the Rhode Island department of human services~~ "Executive
5 Office" means the executive office of health and human services, the agency designated by state
6 law and the Medicaid state plan as the Medicaid single state agency.

7 (4) "Fee schedule" means a list of goods or services to be recognized as properly
8 compensable under the Rhode Island Medicaid program and applicable rates of reimbursement.

9 (5) "Kickback" means a return in any form by any individual of a part of an expenditure
10 made by a provider:

11 (i) To the same provider;

12 (ii) To an entity controlled by the provider; or

13 (iii) To an entity, which the provider intends to benefit whenever the expenditure is
14 reimbursed, or reimbursable, or claimed by a provider as being reimbursable by the Rhode Island
15 Medicaid program and when the sum or value returned is not credited to the benefit of the Rhode
16 Island Medicaid program.

17 (6) "Medicaid fraud control unit" means a duly certified Medicaid fraud control unit
18 under federal regulation authorized to perform those functions as described by § 1903(q) of the
19 Social Security Act, 42 U.S.C. § 1396b(q).

20 (7) "Medically unnecessary services or merchandise" means services or merchandise
21 provided to recipients intentionally without any expectation that the services or merchandise will
22 alleviate or aid the recipient's medical condition.

23 (8) "Office of Program Integrity or OPI" means the ~~unit~~ division within the executive
24 office of health and human services authorized pursuant to §42-7.2-18 to coordinate state and
25 local agencies, law enforcement entities, and investigative units in order to increase the
26 effectiveness of programs and initiatives dealing with the prevention, detection, and prosecution
27 of Medicaid and public assistance fraud; to develop cooperative strategies to investigate and
28 eliminate Medicaid and public assistance fraud and to recover state and federal funds; and to
29 represent the executive office and act on the secretary's behalf in any matters related to the
30 prevention, detection , and prosecution of Medicaid fraud under this chapter.

31 ~~(8)~~(9) "Pecuniary benefit" means benefit in the form of money, property, commercial
32 interests, or anything else the primary significance of which is economic gain.

33 ~~(9)~~(10) "Person" means any person or individual, natural or otherwise and includes those
34 person(s) or entities defined by the term "provider".

1 ~~(10)~~(11) "Provider" means any individual, individual medical vendor, firm, corporation,
2 professional association, partnership, organization, or other legal entity that provides goods or
3 services under the Rhode Island Medicaid program or the employee of any person or entity who,
4 on his or her own behalf or on the behalf of his or her employer, knowingly performs any act or is
5 knowingly responsible for an omission prohibited by this chapter.

6 ~~(11)~~(12) "Recipient" means any person receiving medical assistance under the Rhode
7 Island Medicaid program.

8 ~~(12)~~(13) "Records" means all documents developed by a provider and related to the
9 provision of services reimbursed or claimed as reimbursable by the Rhode Island Medicaid
10 program.

11 ~~(13)~~(14) "Rhode Island Medicaid program" means a state administered, medical
12 assistance health care program which is funded by the state and federal governments under Title
13 XIX and Title XXI of the U.S., Social Security Act, ~~42 U.S.C. § 1396 et seq~~ and any general or
14 public laws and administered by the executive office of health and human services.

15 SECTION 13. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
16 amended by adding thereto the following section:

17 **40-8-32. Support for certain patients of nursing facilities. -- (a) Definitions. For**
18 **purposes of this section.**

19 "Applied Income" shall mean the amount of income a Medicaid beneficiary is required to
20 contribute to the cost of his or her care.

21 "Authorized Individual" shall mean a person who has authority over the income of a
22 patient of a Nursing Facility such as a person who has been given or has otherwise obtained
23 authority over a patient's bank account, has been named as or has rights as a joint account holder,
24 or is a fiduciary as defined below.

25 "Costs of Care" shall mean the costs of providing care to a patient of a nursing facility,
26 including nursing care, personal care, meals, transportation and any other costs, charges, and
27 expenses incurred by a nursing facility in providing care to a patient. Costs of care shall not
28 exceed the customary rate the nursing facility charges to a patient who pays for his or her care
29 directly rather than through a governmental or other third party payor.

30 "Fiduciary" shall mean a person to whom power or property has been formally entrusted
31 for the benefit of another such as an attorney-in-fact, legal guardian, trustee, or representative
32 payee.

33 "Nursing Facility" shall mean a nursing facility licensed under Chapter 17 of Title 23,
34 which is a participating provider in the Rhode Island Medicaid program.

1 "Penalty Period" means the period of Medicaid ineligibility imposed pursuant to 42 USC
2 1396p(c), as amended from time to time, on a person whose assets have been transferred for less
3 than fair market value;

4 "Uncompensated Care" – Care and services provided by a nursing facility to a Medicaid
5 applicant without receiving compensation therefore from Medicaid, Medicare, the Medicaid
6 Applicant, or other source. The acceptance of any payment representing actual or estimated
7 Applied Income shall not disqualify the care and services provided from qualifying as
8 uncompensated care.

9 (b) Penalty Period Resulting from Transfer. Any transfer or assignment of assets
10 resulting in the establishment or imposition of a penalty period shall create a debt that shall be
11 due and owing to a nursing facility for the unpaid costs of care provided during the penalty period
12 to a patient of that facility who has been subject to the penalty period. The amount of the debt
13 established shall not exceed the fair market value of the transferred assets at the time of transfer
14 that are the subject of the penalty period. A nursing facility may bring an action to collect a debt
15 for the unpaid costs of care given to a patient who has been subject to a penalty period, against
16 either the transferor or the transferee, or both. The provisions of this section shall not affect
17 other rights or remedies of the parties.

18 (c) Applied Income. A nursing facility may provide written notice to a patient who is a
19 Medicaid recipient and any authorized individual of that patient of:

- 20 (1) Of the amount of applied income due;
21 (2) Of the recipient's legal obligation to pay the applied income to the nursing facility;
22 and
23 (3) That the recipient's failure to pay applied income due to a nursing facility not later
24 than thirty days after receiving such notice from the Nursing Facility may result in a court action
25 to recover the amount of applied income due.

26 A nursing facility that is owed applied income may, in addition to any other remedies
27 authorized under law, bring a claim to recover the applied income against a patient and any
28 authorized individual. If a court of competent jurisdiction determines, based upon clear and
29 convincing evidence, that a defendant willfully failed to pay or withheld applied income due and
30 owing to a Nursing Facility for more than thirty days after receiving notice pursuant to this
31 subsection (d), the court may award the amount of the debt owed, court costs and reasonable
32 attorneys' fees to the nursing facility.

33 (d) Effects. Nothing contained in this section shall prohibit or otherwise diminish any
34 other causes of action possessed by any such nursing facility. The death of the person receiving

1 [nursing facility care shall not nullify or otherwise affect the liability of the person or persons](#)
2 [charged with the costs of care rendered or the applied income amount as referenced in this](#)
3 [section.](#)

4 **40-8.2-3. Prohibited acts.** -- (a) It shall be unlawful for any person intentionally to:

5 (1) Present or cause to be presented for preauthorization or payment to the Rhode Island
6 Medicaid program:

7 (i) Any materially false or fraudulent claim or cost report for the furnishing of services or
8 merchandise; or

9 (ii) Present or cause to be presented for preauthorization or payment, any claim or cost
10 report for medically unnecessary services or merchandise; or

11 (iii) To submit or cause to be submitted materially false or fraudulent information, for
12 the intentional purpose(s) of obtaining greater compensation than that to which the provider is
13 legally entitled for the furnishing of services or merchandise; or

14 (iv) Submit or cause to be submitted materially false information for the purpose of
15 obtaining authorization for furnishing services or merchandise; or

16 (v) Submit or cause to be submitted any claim or cost report or other document which
17 fails to make full disclosure of material information.

18 (2) (i) Solicit, receive, offer, or pay any remuneration, including any kickback, bribe, or
19 rebate, directly or indirectly, in cash or in kind, to induce referrals from or to any person in return
20 for furnishing of services or merchandise or in return for referring an individual to a person for
21 the furnishing of any services or merchandise for which payment may be made, in whole or in
22 part, under the Rhode Island Medicaid program.

23 (ii) Provided, however, that in any prosecution under this subsection, it shall not be
24 necessary for the state to prove that the remuneration returned was taken from any particular
25 expenditure made by a person.

26 (3) Submit or cause to be submitted a duplicate claim for services, supplies, or
27 merchandise to the Rhode Island Medicaid program for which the provider has already received
28 or claimed reimbursement from any source, unless the duplicate claim is filed

29 (i) For payment of more than one type of service or merchandise furnished or rendered to
30 a recipient for which the use of more than one type of claim is necessary; or

31 (ii) Because of a lack of a response from or a request by the Rhode Island Medicaid
32 program; provided, however, in such instance a duplicate claim will clearly be identified as such,
33 in writing, by the provider; or

34 (iii) Simultaneous with a claim submission to another source of payment when the

1 provider has knowledge that the other payor will not pay the claim.

2 (4) Submit or cause to be submitted to the Rhode Island Medicaid program a claim for
3 service or merchandise which was not rendered to a recipient.

4 (5) Submit or cause to be submitted to the Rhode Island Medicaid program a claim for
5 services or merchandise which includes costs or charges not related to the provision or rendering
6 of services or merchandise to the recipient.

7 (6) Submit or cause to be submitted a claim or refer a recipient to a person for services or
8 merchandise under the Rhode Island Medicaid program which are intentionally not documented
9 in the provider's record and/or are medically unnecessary as that term is defined by § 40-8.2-
10 2(7).

11 (7) Submit or cause to be submitted to the Rhode Island Medicaid program a claim
12 which materially misrepresents:

13 (i) The description of services or merchandise rendered or provided to a recipient;

14 (ii) The cost of the services or merchandise rendered or provided to a recipient;

15 (iii) The dates that the services or merchandise were rendered or provided to a recipient;

16 (iv) The identity of the recipient(s) of the services or merchandise; or

17 (v) The identity of the attending, prescribing, or referring practitioner or the identity of
18 the actual provider.

19 (8) Submit a claim for reimbursement to the Rhode Island Medicaid program for
20 service(s) or merchandise at a fee or charge, which exceeds the provider's lowest fee or charge for
21 the provision of the service or merchandise to the general public.

22 (9) Submit or cause to be submitted to the Rhode Island Medicaid program a claim for a
23 service or merchandise which was not rendered by the provider, unless the claim is submitted on
24 behalf of:

25 (i) A bona fide provider employee of such provider; or

26 (ii) An affiliated provider entity owned or controlled by the provider; or

27 (iii) Is submitted on behalf of a provider by a third party billing service under a written
28 agreement with the provider, and the claims are submitted in a manner which does not otherwise
29 violate the provisions of this chapter.

30 (10) Render or provide services or merchandise under the Rhode Island Medicaid
31 program unless otherwise authorized by the regulations of the Rhode Island Medicaid program
32 without a provider's written order and the recipient's consent, or submit or cause to be submitted a
33 claim for services or merchandise, except in emergency situations or when the recipient is a
34 minor or is incompetent to give consent. The type of consent to be required hereunder can include

1 verbal acquiescence of the recipient and need not require a signed consent form or the recipient's
2 signature, except where otherwise required by the regulations of the Rhode Island Medicaid
3 program.

4 (11) Charge any recipient or person acting on behalf of a recipient, money or other
5 consideration in addition to, or in excess of the rates of remuneration established under the Rhode
6 Island Medicaid program.

7 (12) Enter into an agreement, combination or conspiracy with any party other than the
8 Rhode Island Medicaid program to obtain or aid another to obtain reimbursement or payments
9 from the Rhode Island Medicaid program to which the person, recipient, or provider seeking
10 reimbursement or payment is not entitled.

11 (13) Make a material false statement in the application for enrollment as a provider
12 under the Rhode Island Medicaid program.

13 (14) Refuse to provide representatives of the Medicaid fraud control unit and/or the
14 office of program integrity upon reasonable request, access to information and data pertaining to
15 services or merchandise rendered to eligible recipients, and/or former recipients while recipients
16 under the Rhode Island Medicaid program.

17 (15) Obtain any monies by false pretenses through the use of any artifice, scheme, or
18 design prohibited by this section.

19 (16) Seek or obtain employment with or as a provider after having actual or constructive
20 knowledge of a then existing exclusion issued under the authority of 42 U.S.C. § 1320a-7.

21 (17) Grant or offer to grant employment in violation of a then existing exclusion issued
22 under the authority of 42 U.S.C. § 1320a-7, having actual or constructive knowledge of the
23 existence of such exclusion.

24 (18) File a false document to gain employment in a Medicaid funded facility or with a
25 provider.

26 (b) (1) A provider or person who violates any provision of subsection (a), excepting
27 subsection (a)(14), (a)(16), or (a)(18), is guilty of a felony for each violation, and upon conviction
28 therefor, shall be sentenced to a term of imprisonment not exceeding ten (10) years, nor fined
29 more than ten thousand dollars (\$10,000), or both.

30 (2) A provider or person who violates the provisions of subsection (a)(14), (a)(16), or
31 (a)(18), shall be guilty of a misdemeanor for each violation and, upon conviction, be fined not
32 more than five hundred dollars (\$500).

33 (3) Any provider who knowingly and willfully participates in any offense either as a
34 principal or as an accessory, or conspirator shall be subject to the same penalty as if the provider

1 had committed the substantive offense.

2 (c) The provisions of subsection (a)(2) shall not apply to:

3 (1) A discount or other reduction in price obtained by a person or provider of services or
4 merchandise under the Rhode Island Medicaid program, if the reduction in price is properly
5 disclosed and appropriately reflected in the costs claimed or charges made by the person or
6 provider under the Rhode Island Medicaid program.

7 (2) Any amount paid by an employer to an employee, who has a bona fide employment
8 relationship with the employer, for employment in the provision of covered services or
9 merchandise furnished under the Rhode Island Medicaid program.

10 (3) Any amounts paid by a vendor of services or merchandise to a person authorized to
11 act as a purchasing agent for a group of individuals or entities who are furnishing services or
12 merchandise which are reimbursed by the Rhode Island Medicaid program, as long as:

13 (i) The purchasing agent has a written agreement with each individual or entity in the
14 group that specifies the amount the agent will be paid by each vendor (where the sum may be a
15 fixed sum or a fixed percentage of the value of the purchases made from the vendor by the group
16 under the contract between the vendor and the purchasing agent); and

17 (ii) In the case of an entity that is a provider of services to the Rhode Island Medicaid
18 program, the agent discloses in writing to the individual or entity in accordance with regulations
19 to be promulgated by the ~~department~~ [executive office](#), and to the ~~department~~ [office of program](#)
20 [integrity](#) upon request, the amount received from each vendor with respect to purchases made by
21 or on behalf of the entity.

22 **40-8.2-4. Statute of limitations.** -- The statute of limitations for any violation of the
23 provisions of this chapter shall be ten (10) years.

24 **40-8.2-5. Civil remedy.** -- Any person, including the ~~Rhode Island Medicaid program~~
25 [secretary of the executive office of health and human services or the office of program integrity](#)
26 [acting on behalf of the secretary of the office](#), injured by any violation of the provisions of § 40-
27 8.2-3 or § 40-8.2-4 may recover through a civil action from the persons inflicting the injury three
28 (3) times the amount of the injury.

29 **40-8.2-6. Civil actions brought by attorney general on behalf of persons injured by**
30 **violations of chapter.** -- (a) The attorney general may bring a civil action in superior court in the
31 name of the state, as parens patriae on behalf of persons residing in this state, to secure monetary
32 relief as provided in this section for injuries sustained by such persons by reason of any violation
33 of this chapter. The court shall exclude from the amount of monetary relief awarded in an action
34 any amount of monetary relief:

1 Which duplicates amounts which have been awarded for the same injury, or
2 Which is properly allocable to persons who have excluded their claims pursuant to
3 subsection (c)(1) of this section.

4 (b) The court shall award the state as monetary relief threefold the total damage sustained
5 as described in subsection (a) of this section and the costs of bringing suit, including reasonable
6 attorney's fees.

7 (c) In any action brought under subsection (a) of this section, the attorney general shall,
8 at such times, in such manner, and with such content as the court may direct, cause notice thereof
9 to be given by publication.

10 (1) Any person on whose behalf an action is brought under subsection (a), may elect to
11 exclude from adjudication the portion of the state claim for monetary relief attributable to him or
12 her by filing notice of the election with the court within such time as specified in the notice given
13 pursuant to this subsection.

14 (2) The final judgment in an action under subsection (a) shall be res judicata as to any
15 claim under § 40-8.2-5 by any person on behalf of whom the action was brought and who fails to
16 give notice within the period specified in the notice given pursuant to this subsection.

17 (d) An action under subsection (a) shall not be dismissed or compromised without the
18 approval of the court, and notice of any proposed dismissal or compromise shall be given by
19 publication at such times, in such manner, and with such content as the court may direct.

20 (e) In any action under subsection (a):

21 (1) The amount of the plaintiff's attorney's fees, if any, shall be determined by the court,
22 and any attorney's fees awarded to the attorney general shall be deposited with the state as general
23 revenues; and

24 (2) The court may, in its discretion, award a reasonable attorney's fee to a prevailing
25 defendant upon a finding that the attorney general has acted in bad faith, vexatiously, wantonly,
26 or for oppressive reasons.

27 (f) Monetary relief recovered in an action under this section shall:

28 (1) Be distributed in such manner as the court, in its discretion, may authorize; or

29 (2) Be deemed a civil penalty by the court and deposited with the state as general
30 revenues; subject in either case to the requirement that any distribution procedure adopted afford
31 each person a reasonable opportunity to secure his or her appropriate portion of the net monetary
32 relief.

33 (g) In any action under this section the fact that a person or public body has not dealt
34 directly with the defendant shall not bar or otherwise limit recovery. Provided, however, that the

1 court shall exclude from the amount of monetary relief which duplicates amounts which have
2 been awarded for the same injury.

3 **40-8.2-10. Other civil remedies and criminal penalties.** -- The penalties and remedies
4 under this statute are not exclusive and shall not preclude the use of any other civil remedy or the
5 application of any other criminal penalty [deemed appropriate by the attorney general in](#)
6 [accordance with federal law or regulations governing Title XIX or Title XXI or the general or](#)
7 [public laws of this state.](#)

8 **40-8.2-11. Barring or suspending participation in program.** -- Whenever a provider is
9 sentenced or placed on probation for an offense under this chapter, the trial judge may, in his or
10 her discretion, order that the provider be permanently barred from further participation in the
11 program, that the provider's participation in the program be suspended for a definite period of
12 time not exceeding two (2) years, or that the provider conform to applicable federal regulations.
13 For the purposes of this section, ~~the Rhode Island Medicaid program~~ [office of program integrity](#)
14 may submit a recommendation to the trial judge as to whether the provider should be suspended
15 or barred from the ~~Medicaid~~ program. Nothing contained herein shall be construed to prevent the
16 ~~Rhode Island Medicaid program~~ [executive office of health and human services](#) from imposing its
17 own administrative sanctions.

18 **40-8.2-17. Stays and review of revocation orders.** -- An order of the ~~Rhode Island~~
19 ~~Medicaid program~~ [executive office of health and human services](#) revoking a provider's
20 certification may, in the discretion of the program, go into immediate effect or may be stayed.
21 Review of any order may be had in accordance with the Rhode Island administrative procedures
22 law, §§ 42-35-1 -42-35-18. If an administrative hearing is claimed, the program may, in its
23 discretion, stay the effect of a revocation until a hearing is ~~had~~ [held](#) and a decision is rendered,
24 and for a period not to exceed ten (10) days after the administrative decision is rendered.

25 **40-8.2-18. Filing and enforcement of administrative decision.** -- An administrative
26 decision, not appealed, or which has been affirmed after judicial review under the Rhode Island
27 administrative procedures law, §§ 42-35-1 - 42-35-18, determining any amounts due to the
28 ~~Rhode Island Medicaid program~~ [executive office of health and human services](#) or to a provider,
29 may be filed with the clerk of the superior court for Providence County and shall be enforceable
30 as a judgment of that court.

31 **40-8.2-19. Certification as a provider.** -- Revocation or suspension of certification.-
32 Before any provider of medical services receives payment from the Rhode Island Medicaid
33 program, and as a condition of receipt of payment, the provider must have in effect a valid
34 certification of eligibility from the Rhode Island ~~department of human services~~ [executive office](#)

1 [of health and human services](#). This certification of eligibility will take the form of either a
2 separate provider agreement or language as required by federal regulations imprinted on the
3 medical assistance billing form, which must be signed by the provider. This certification may be
4 revoked or suspended, in accordance with administrative rules to be promulgated by the
5 ~~department~~ [executive office](#), if a provider fails to meet professional licensure requirements,
6 violates any administrative regulations of the ~~Rhode Island Medicaid program~~ [executive office of](#)
7 [health and human services](#), does not provide proper professional services, is the subject of a
8 suspension of payments order, is convicted of Medicaid fraud, or otherwise violates any provision
9 of this chapter.

10 **40-8.2-21. Suspension of payments to a provider.** -- (a) The ~~Rhode Island Medicaid~~
11 ~~program~~ [executive office of health and human services](#) may issue a suspension of payments order
12 if:

13 (1) The provider does not meet certification requirements of the Rhode Island Medicaid
14 program; or

15 (2) The Rhode Island Medicaid program has been unable to collect (or make satisfactory
16 arrangements for the collection of) amounts due on account of overpayments to any provider; or

17 (3) The ~~Rhode Island Medicaid program~~ [office of program integrity](#) and/or the Medicaid
18 fraud control unit of the attorney general's office has been unable to obtain, from a provider, the
19 data and information necessary to enable it to determine the existence or amount (if any) of the
20 overpayments made to a provider; or

21 (4) The [office of program integrity or the](#) Medicaid fund control unit of the attorney
22 general's office has been denied reasonable access to information by a provider which pertains to
23 a patient or resident of a long term residential care facility or to a former patient or resident of a
24 long term residential care facility; or

25 (5) The ~~Rhode Island Medicaid program~~ [office of program integrity](#) and/or the Medicaid
26 fraud control unit of the attorney general's office has been denied reasonable access to data and
27 information by the provider for the purpose of conducting activities as described in § 1903(g) of
28 the Social Security Act, 42 U.S.C. § 1396b(g); or

29 (6) The ~~Rhode Island Medicaid program~~ [office of program integrity](#) has been presented
30 with reliable evidence that the provider has engaged in fraud or willful misrepresentation under
31 the Medicaid program.

32 (b) Any such order of the ~~Rhode Island Medicaid program~~ [executive office of health and](#)
33 [human services](#) may cease to be effective at such time as the ~~program~~ [office of program integrity](#)
34 is satisfied that the provider is participating in substantial negotiations which seek to remedy the

1 conditions which gave rise to its order of suspension of payments, or that amounts are no longer
2 due from the provider or that a satisfactory arrangement has been made for the payment of the
3 provider or that a satisfactory arrangement has been made for the payment by the provider of any
4 such amounts.

5 **40-8.2-22. Interest on overcharges.** -- Any provider of services or goods contracting
6 with the ~~department of human services~~ executive office of health and human services pursuant to
7 Title XIX or Title XXI of the Social Security Act., ~~42 U.S.C. § 1396 et seq.~~, who, without intent
8 to defraud, obtains payments under this chapter in excess of the amount to which the provider is
9 entitled, thereby becomes liable for payment of the amount of the excess with payment of interest
10 allowable by law, under § 6-26-2, as was in effect on the date payment was made to the provider.
11 The interest period will commence on the date upon which payment was made and will extend to
12 the date upon which repayment is made to the state of Rhode Island.

13 SECTION 14. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3
14 entitled "Uncompensated Care" are hereby amended to read as follows:

15 **40-8.3-2. Definitions.** -- As used in this chapter:

16 (1) "Base year" means for the purpose of calculating a disproportionate share payment for
17 any fiscal year ending after September 30, ~~2013~~ 2014, the period from October 1, ~~2011~~ 2012
18 through September 30, ~~2012~~ 2013, and for any fiscal year ending after September 30, ~~2014~~ 2015,
19 the period from October 1, ~~2012~~ 2013 through September 30, ~~2013~~ 2014.

20 (2) "~~Medical assistance~~ Medicaid inpatient utilization rate for a hospital" means a
21 fraction (expressed as a percentage) the numerator of which is the hospital's number of inpatient
22 days during the base year attributable to patients who were eligible for medical assistance during
23 the base year and the denominator of which is the total number of the hospital's inpatient days in
24 the base year.

25 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:
26 (i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base year; and
27 shall mean the actual facilities and buildings in existence in Rhode Island, licensed pursuant to §
28 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless
29 of changes in licensure status pursuant to § 23-17.14 (hospital conversions) and §23-17-6 (b)
30 (change in effective control), that provides short-term acute inpatient and/or outpatient care to
31 persons who require definitive diagnosis and treatment for injury, illness, disabilities, or
32 pregnancy.

33 (ii) achieved a medical assistance inpatient utilization rate of at least one percent (1%)
34 during the base year; and

1 (iii) continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
2 the payment year.

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

10 (5) "Uncompensated care index" means the annual percentage increase for hospitals
11 established pursuant to § 27-19-14 for each year after the base year, up to and including the
12 payment year, provided, however, that the uncompensated care index for the payment year ending
13 September 30, 2007 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and
14 that the uncompensated care index for the payment year ending September 30, 2008 shall be
15 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated care
16 index for the payment year ending September 30, 2009 shall be deemed to be five and thirty-eight
17 hundredths percent (5.38%), and that the uncompensated care index for the payment years ending
18 September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September
19 30, 2014 and, September 30, 2015, and September 30, 2016 shall be deemed to be five and thirty
20 hundredths percent (5.30%).

21 **40-8.3-3. Implementation.** -- ~~(a) For federal fiscal year 2013, commencing on October 1,~~
22 ~~2012 and ending September 30, 2013, the executive office of health and human services shall~~
23 ~~submit to the Secretary of the U.S. Department of Health and Human Services a state plan~~
24 ~~amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments~~
25 ~~(DSH Plan) to provide:~~

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

29 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~
30 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~
31 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
32 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~
33 ~~share payments shall be made on or before July 15, 2013 and are expressly conditioned upon~~
34 ~~approval on or before July 8, 2013 by the Secretary of the U.S. Department of Health and Human~~

1 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~
2 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2013 for~~
3 ~~the disproportionate share payments.~~

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

9 (1) That the disproportionate share hospital payments to all participating hospitals, not
10 to exceed an aggregate limit of \$136.8 million, shall be allocated by the executive office of health
11 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

12 (2) That the Pool D allotment shall be distributed among the participating hospitals in
13 direct proportion to the individual participating hospital's uncompensated care costs for the base
14 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
15 year inflated by uncompensated care index for all participating hospitals. The disproportionate
16 share payments shall be made on or before July 14, 2014 and are expressly conditioned upon
17 approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human
18 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
19 to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for
20 the disproportionate share payments.

21 ~~(b)~~(b) For federal fiscal year 2015, commencing on October 1, 2014 and ending
22 September 30, 2015, the executive office of health and human services shall submit to the
23 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
24 Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to
25 provide:

26 (1) That the disproportionate share hospital payments to all participating hospitals, not to
27 exceed an aggregate limit of ~~\$136.8~~ \$140.0 million, shall be allocated by the executive office of
28 health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

29 (2) That the Pool D allotment shall be distributed among the participating hospitals in
30 direct proportion to the individual participating hospital's uncompensated care costs for the base
31 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
32 year inflated by uncompensated care index for all participating hospitals. The disproportionate
33 share payments shall be made on or before July 13, 2015 and are expressly conditioned upon
34 approval on or before July 6, 2015 by the Secretary of the U.S. Department of Health and Human

1 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
2 to secure for the state the benefit of federal financial participation in federal fiscal year 2015 for
3 the disproportionate share payments.

4 (c) For federal fiscal year 2016, commencing on October 1, 2015 and ending September
5 30, 2016, the executive office of health and human services shall submit to the Secretary of the
6 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
7 Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

8 (1) That the disproportionate share hospital payments to all participating hospitals, not to
9 exceed an aggregate limit of \$138.2 million, shall be allocated by the executive office of health
10 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

11 (2) That the Pool D allotment shall be distributed among the participating hospitals in
12 direct proportion to the individual participating hospital's uncompensated care costs for the base
13 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
14 year inflated by uncompensated care index for all participating hospitals. The disproportionate
15 share payments shall be made on or before July 11, 2016 and are expressly conditioned upon
16 approval on or before July 5, 2016 by the Secretary of the U.S. Department of Health and Human
17 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
18 to secure for the state the benefit of federal financial participation in federal fiscal year 2016 for
19 the disproportionate share payments.

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

23 (e) The executive office of health and human services is directed, on at least a monthly
24 basis, to collect patient level uninsured information, including, but not limited to, demographics,
25 services rendered, and reason for uninsured status from all hospitals licensed in Rhode Island.

26 (f) Beginning with federal FY 2016, Pool D DSH payments will be recalculated by the
27 state based on actual hospital experience. The final Pool D payments will be based on the data
28 from the final DSH audit for each federal fiscal year. Pool D DSH payments will be redistributed
29 among the qualifying hospitals in direct proportion to the individual qualifying hospital's
30 uncompensated care to the total uncompensated care costs for all qualifying hospitals as
31 determined by the DSH audit. No hospital will receive an allocation that would incur funds
32 received in excess of audited uncompensated care costs.

33 SECTION 15. Section 5 of Article 18 of Chapter 145 of the Public Laws of 2014 is
34 hereby amended to read as follows:

1 A pool is hereby established of up to ~~\$1.5 million~~ \$2.5 million to support Medicaid
2 Graduate Education funding for Academic Medical Centers with level I Trauma Centers who
3 provide care to the state's critically ill and indigent populations. The office of Health and Human
4 Services shall utilize this pool to provide up to ~~\$3 million~~ \$5 million per year in additional
5 Medicaid payments to support Graduate Medical Education programs to hospitals meeting all of
6 the following criteria:

7 (a) Hospital must have a minimum of 25,000 inpatient discharges per year for all
8 patients regardless of coverage.

9 (b) Hospital must be designated as Level I Trauma Center.

10 (c) Hospital must provide graduate medical education training for at least 250
11 interns and residents per year.

12 The Secretary of the Executive Office of Health and Human Services shall
13 determine the appropriate Medicaid payment mechanism to implement this program and amend
14 any state plan documents required to implement the payments.

15 Payments for Graduate Medical Education programs shall be ~~effective July 1,~~
16 ~~2014~~ made annually.

17 SECTION 16. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical
18 Assistance – Long-Term Care Service and Finance Reform" is hereby amended to read as
19 follows:

20 **40-8.9-9. Long-term care re-balancing system reform goal.** -- (a) Notwithstanding any
21 other provision of state law, the ~~department of human services~~ executive office of health and
22 human services is authorized and directed to apply for and obtain any necessary waiver(s), waiver
23 amendment(s) and/or state plan amendments from the secretary of the United States department
24 of health and human services, and to promulgate rules necessary to adopt an affirmative plan of
25 program design and implementation that addresses the goal of allocating a minimum of fifty
26 percent (50%) of Medicaid long-term care funding for persons aged sixty-five (65) and over and
27 adults with disabilities, in addition to services for persons with developmental disabilities ~~and~~
28 ~~mental disabilities~~, to home and community-based care ~~on or before December 31, 2013;~~
29 provided, further, the ~~executive office of health and human services~~ executive office shall report
30 annually as part of its budget submission, the percentage distribution between institutional care
31 and home and community-based care by population and shall report current and projected waiting
32 lists for long-term care and home and community-based care services. The ~~department~~ executive
33 office is further authorized and directed to prioritize investments in home and community-based
34 care and to maintain the integrity and financial viability of all current long-term care services

1 while pursuing this goal.

2 (b) The reformed long-term care system re-balancing goal is person-centered and
3 encourages individual self-determination, family involvement, interagency collaboration, and
4 individual choice through the provision of highly specialized and individually tailored home-
5 based services. Additionally, individuals with severe behavioral, physical, or developmental
6 disabilities must have the opportunity to live safe and healthful lives through access to a wide
7 range of supportive services in an array of community-based settings, regardless of the
8 complexity of their medical condition, the severity of their disability, or the challenges of their
9 behavior. Delivery of services and supports in less costly and less restrictive community settings,
10 will enable children, adolescents and adults to be able to curtail, delay or avoid lengthy stays in
11 long-term care institutions, such as behavioral health residential treatment facilities, long-term
12 care hospitals, intermediate care facilities and/or skilled nursing facilities.

13 (c) Pursuant to federal authority procured under § 42-7.2-16 of the general laws,
14 the ~~department of human services~~ executive office of health and human services is directed and
15 authorized to adopt a tiered set of criteria to be used to determine eligibility for services. Such
16 criteria shall be developed in collaboration with the state's health and human services departments
17 and, to the extent feasible, any consumer group, advisory board, or other entity designated for
18 such purposes, and shall encompass eligibility determinations for long-term care services in
19 nursing facilities, hospitals, and intermediate care facilities for ~~the mentally retarded~~ persons with
20 intellectual disabilities as well as home and community-based alternatives, and shall provide a
21 common standard of income eligibility for both institutional and home and community-based
22 care. The ~~department~~ executive office is, ~~subject to prior approval of the general assembly,~~
23 authorized to adopt clinical and/or functional criteria for admission to a nursing facility, hospital,
24 or intermediate care facility for ~~the mentally retarded~~ persons with intellectual disabilities that are
25 more stringent than those employed for access to home and community-based services. The
26 ~~department~~ executive office is also authorized to promulgate rules that define the frequency of re-
27 assessments for services provided for under this section. ~~Legislatively approved levels~~ Levels of
28 care may be applied in accordance with the following:

29 (1) The ~~department~~ executive office shall continue to apply ~~pre-waiver~~ the level
30 of care criteria in effect on June 30, 2015 for any recipient determined eligible for and receiving
31 ~~Medicaid recipient eligible for~~ Medicaid-funded long-term services in supports in a nursing
32 facility, hospital, or intermediate care facility for ~~the mentally retarded~~ persons with intellectual
33 disabilities as of June 30, 2009 on or before that date, unless: (a) the recipient transitions to home
34 and community based services because he or she: ~~(a) Improves to a level where he/she~~ would no

1 longer meet the ~~pre-waiver~~ level of care criteria in effect on June 30, 2015; or (b) ~~The individual~~
2 the recipient chooses home and community based services over the nursing facility, hospital, or
3 intermediate care facility for ~~the mentally-retarded~~ persons with intellectual disabilities. For the
4 purposes of this section, a failed community placement, as defined in regulations promulgated by
5 the ~~department~~ executive office, shall be considered a condition of clinical eligibility for the
6 highest level of care. The ~~department~~ executive office shall confer with the long-term care
7 ombudsperson with respect to the determination of a failed placement under the ombudsperson's
8 jurisdiction. Should any Medicaid recipient eligible for a nursing facility, hospital, or
9 intermediate care facility for ~~the mentally-retarded~~ persons with intellectual disabilities as of June
10 30, ~~2009~~ 2015 receive a determination of a failed community placement, the recipient shall have
11 access to the highest level of care; furthermore, a recipient who has experienced a failed
12 community placement shall be transitioned back into his or her former nursing home, hospital, or
13 intermediate care facility for ~~the mentally-retarded~~ persons with intellectual disabilities whenever
14 possible. Additionally, residents shall only be moved from a nursing home, hospital, or
15 intermediate care facility for ~~the mentally-retarded~~ persons with intellectual disabilities in a
16 manner consistent with applicable state and federal laws.

17 (2) Any Medicaid recipient eligible for the highest level of care who voluntarily
18 leaves a nursing home, hospital, or intermediate care facility for ~~the mentally-retarded~~ persons
19 with intellectual disabilities shall not be subject to any wait list for home and community based
20 services.

21 (3) No nursing home, hospital, or intermediate care facility for ~~the mentally~~
22 ~~retarded~~ persons with intellectual disabilities shall be denied payment for services rendered to a
23 Medicaid recipient on the grounds that the recipient does not meet level of care criteria unless and
24 until the ~~department of human services~~ executive office has: (i) performed an individual
25 assessment of the recipient at issue and provided written notice to the nursing home, hospital, or
26 intermediate care facility for ~~the mentally-retarded~~ persons with intellectual disabilities that the
27 recipient does not meet level of care criteria; and (ii) the recipient has either appealed that level of
28 care determination and been unsuccessful, or any appeal period available to the recipient
29 regarding that level of care determination has expired.

30 (d) The ~~department of human services~~ executive office is further authorized ~~and~~
31 ~~directed~~ to consolidate all home and community-based services currently provided pursuant to §
32 1915(c) of title XIX of the United States Code into a single system of home and community-
33 based services that include options for consumer direction and shared living. The resulting single
34 home and community-based services system shall replace and supersede all §1915(c) programs

1 when fully implemented. Notwithstanding the foregoing, the resulting single program home and
2 community-based services system shall include the continued funding of assisted living services
3 at any assisted living facility financed by the Rhode Island housing and mortgage finance
4 corporation prior to January 1, 2006, and shall be in accordance with chapter 66.8 of title 42 of
5 the general laws as long as assisted living services are a covered Medicaid benefit.

6 (e) The ~~department of human services~~ executive office is authorized to
7 promulgate rules that permit certain optional services including, but not limited to, homemaker
8 services, home modifications, respite, and physical therapy evaluations to be offered to persons at
9 risk for Medicaid-funded long-term care subject to availability of state-appropriated funding for
10 these purposes.

11 (f) To promote the expansion of home and community-based service capacity,
12 the ~~department of human services~~ executive office is authorized ~~and directed~~ to pursue ~~rate~~
13 payment methodology reforms that increase access to ~~for~~ homemaker, personal care (home health
14 aide), assisted living, adult supportive care homes, and adult day ~~care~~ services, as follows:

15 ~~(1) A prospective base adjustment effective, not later than July 1, 2008, across all~~
16 ~~departments and programs, of ten percent (10%) of the existing standard or average rate,~~
17 ~~contingent upon a demonstrated increase in the state funded or Medicaid caseload by June 30,~~
18 ~~2009;~~

19 ~~(2) (1) Development, not later than September 30, 2008, of revised or new Medicaid~~
20 ~~certification standards supporting and defining targeted rate increments to encourage~~ that increase
21 access to service specialization and scheduling accommodations ~~including but not limited to,~~
22 ~~medication and pain management, wound management, certified Alzheimer's Syndrome~~
23 ~~treatment and support programs, and work and shift differentials for night and week-end services;~~
24 ~~and by using payment strategies designed to achieve specific quality and health outcomes.~~

25 ~~(3) Development and submission to the governor and the general assembly, not later~~
26 ~~than December 31, 2008, of a proposed rate setting methodology for home and community-based~~
27 ~~services to assure coverage of the base cost of service delivery as well as reasonable coverage of~~
28 ~~changes in cost caused by wage inflation.~~

29 (2) Development of Medicaid certification standards for state authorized providers of
30 adult day services, excluding such providers of services authorized under § 40.1-24-1(3), assisted
31 living, and adult supportive care (as defined under § 23-17.24) that establish for each, an acuity-
32 based, tiered service and payment methodology tied to: licensure authority, level of beneficiary
33 needs; the scope of services and supports provided; and specific quality and outcome measures.
34 The standards for adult day services for persons eligible for Medicaid-funded long-term services

1 [may differ from those who do not meet the clinical/functional criteria set forth in § 40-8.10-3.](#)

2 (g) The ~~department, in collaboration with the executive office of human services,~~
3 [executive office](#) shall implement a long-term care options counseling program to provide
4 individuals or their representatives, or both, with long-term care consultations that shall include,
5 at a minimum, information about: long-term care options, sources and methods of both public and
6 private payment for long-term care services and an assessment of an individual's functional
7 capabilities and opportunities for maximizing independence. Each individual admitted to or
8 seeking admission to a long-term care facility regardless of the payment source shall be informed
9 by the facility of the availability of the long-term care options counseling program and shall be
10 provided with long-term care options consultation if they so request. Each individual who applies
11 for Medicaid long-term care services shall be provided with a long-term care consultation.

12 (h) The ~~department of human services~~ [executive office](#) is also authorized, subject to
13 availability of appropriation of funding, [and federal Medicaid-matching funds,](#) to pay for certain
14 ~~expenses services and supports~~ necessary to transition ~~residents back to the community or divert~~
15 [beneficiaries from institutional or restrictive settings and optimize their health and safety when](#)
16 [receiving care in a home or the](#) community. [The secretary is authorized to obtain any state plan](#)
17 [or waiver authorities required to maximize the federal funds available to support expanded access](#)
18 [to such home and community transition and stabilization services;](#) provided, however, payments
19 shall not exceed an annual or per person amount.

20 ~~(i)~~ (i) To ensure persons with long-term care needs who remain living at home have
21 adequate resources to deal with housing maintenance and unanticipated housing related costs, ~~the~~
22 ~~department of human services~~ [secretary](#) is authorized to develop higher resource eligibility limits
23 for persons ~~on~~ [or obtain any state plan or waiver authorities necessary to change the financial](#)
24 [eligibility criteria for long-term services and supports to enable beneficiaries receiving](#) home and
25 community waiver services [to have the resources to continue](#) ~~who are~~ living in their own homes
26 or rental units [or other home-based settings.](#)

27 (j) [The executive office shall implement, no later than January 1, 2016, the following](#)
28 [home and community-based service and payment reforms:](#)

29 [\(1\) Community-based supportive living program established in § 40-8.13-2.1;](#)

30 [\(2\) Adult day services level of need criteria and acuity-based, tiered payment](#)
31 [methodology; and](#)

32 [\(3\) Payment reforms that encourage home and community-based providers to provide the](#)
33 [specialized services and accommodations beneficiaries need to avoid or delay institutional care.](#)

34 [\(k\) The secretary is authorized to seek any Medicaid section 1115 waiver or state plan](#)

1 [amendments and take any administrative actions necessary to ensure timely adoption of any new](#)
2 [or amended rules, regulations, policies, or procedures and any system enhancements or changes,](#)
3 [for which appropriations have been authorized, that are necessary to facilitate implementation of](#)
4 [the requirements of this section by the dates established. The secretary shall reserve the discretion](#)
5 [to exercise the authority established under §§ 42-7.2-5\(6\)\(v\) and 42-7.2-6.1, in consultation with](#)
6 [the governor, to meet the legislative directives established herein.](#)

7 SECTION 17: Sections 40-8.10-1, 40-8.10-2, 40-8.10-3, 40-8.10-4, 40-8.10-5, and 40-
8 8.10-6 of the General Laws in Chapter 40-8.10 entitled "Long Term Care Service Reform for
9 Medicaid Eligible Individuals" are hereby amended to read as follows:

10 **40-8.10-1. Purpose.** -- (a) In order to ensure that all Medicaid recipients eligible for long-
11 term care have access to the full continuum of services they need, the secretary of the executive
12 office of health and human services, in collaboration with the ~~director of the department of human~~
13 ~~services and the directors of the departments of children youth and families, elderly affairs,~~
14 ~~health, and mental health, retardation and hospitals,~~ [directors of EOHHS departments,](#) shall offer
15 eligible Medicaid recipients the full range of services as allowed under the terms and conditions
16 of the Rhode Island ~~Global Consumer Choice Compact 1115a Demonstration Waiver~~ [Medicaid](#)
17 [section 1115 demonstration waiver,](#) including institutional services and the home and community
18 based services provided for under the previous Medicaid Section 1915(c) waivers, as well as
19 additional services for medication management, transition services and other authorized services
20 as defined in this chapter, in order to meet the individual needs of the Medicaid recipient.

21 **40-8.10-2. Definitions.** -- As used in this chapter,

22 (a) "Core services" mean homemaker services, environmental modifications (home
23 accessibility adaptations, special medical equipment (minor assistive devices), meals on wheels
24 (home delivered meals), personal emergency response (PERS), licensed practical nurse services,
25 community transition services, residential supports, day supports, supported employment,
26 supported living arrangements, private duty nursing, supports for consumer direction (supports
27 facilitation), participant directed goods and services, case management, senior companion
28 services, assisted living, personal care assistance services and respite.

29 (b) "Preventive services" mean homemaker services, minor environmental
30 modifications, physical therapy evaluation and services and respite services.

31 **40-8.10-3. Levels of care.** -- (a) The secretary of the executive office of health and
32 human services shall coordinate responsibilities for long-term care assessment in accordance with
33 the provisions of this chapter ~~within the department of human services, and with the cooperation~~
34 ~~of the directors of the department of elderly affairs, the department of children, youth and~~

1 ~~families, and the department of mental health, retardation and hospitals. Assessments conducted~~
2 ~~by each department's staff shall be coordinated through the Assessment Coordination Unit~~
3 ~~(ACU). Members of each department's staff responsible for assessing level of care, developing~~
4 ~~care plans, and determining budgets will meet on a regular basis in order to ensure that services~~
5 ~~are provided in a uniform and consistent manner.~~ Importance shall be placed upon the proper and
6 consistent determination of levels of care across the state departments for each long-term care
7 setting, including behavioral health residential treatment facilities, long-term care hospitals,
8 intermediate care facilities, and/or skilled nursing facilities. ~~Three (3) appropriate~~ Specialized
9 plans of care that meet the needs of the individual Medicaid recipients shall be coordinated and
10 consistent across all state departments. The development of care plans shall be person-centered
11 and shall support individual self-determination, family involvement, when appropriate, individual
12 choice and interdepartmental collaboration.

13 (b) Levels of care for long-term care institutions (behavioral health residential treatment
14 facilities, long-term care hospitals, intermediate care facilities and/or skilled nursing facilities),
15 for which alternative community-based services and supports are available, shall be established
16 pursuant to the § 40-8.9-9. The structure of the three (3) levels of care is as follows:

17 (i) Highest level of care. Individuals who are determined, based on medical need, to
18 require the institutional level of care will have the choice to receive services in a long-term care
19 institution or in a home and community-based setting.

20 (ii) High level of care. Individuals who are determined, based on medical need, to
21 benefit from home and community-based services.

22 (iii) Preventive level of care. Individuals who do not presently need an institutional level
23 of care but who need services targeted at preventing admission, re-admissions or reducing lengths
24 of stay in an institution.

25 (c) Determinations of levels of care and the provision of long term care health services
26 shall be determined in accordance with this section and shall be in accordance with the applicable
27 provisions of § 40-8.9-9.

28 **40-8.10-4. Long-term Care Assessment and Coordination** ~~Assessment and~~
29 ~~Coordination Unit (ACU).~~ -- (a) ~~The department of human services, in collaboration with the~~
30 The executive office of health and human services, shall implement a long-term care options
31 counseling program to provide individuals or their representative, or both, with long-term care
32 consultations that shall include, at a minimum, information about long-term care options, sources
33 and methods of both public and private payment for long term care services, information on
34 caregiver support services, including respite care, and an assessment of an individual's functional

1 capabilities and opportunities for maximizing independence. Each individual admitted to or
2 seeking admission to a long-term care facility, regardless of the payment source, shall be
3 informed by the facility of the availability of the long-term care options counseling program and
4 shall be provided with a long-term care options consultation, if he or she so requests. Each
5 individual who applies for Medicaid long-term care services shall be provided with a long-term
6 care consultation.

7 (b) Core and preventative home and community based services defined and delineated in
8 § 40-8.10-2 shall be provided only to those individuals who meet one of the levels of care
9 provided for in this chapter. Other long term care services authorized by the federal government,
10 such as medication management, may also be provided to Medicaid eligible recipients who have
11 established the requisite need. ~~as determined by the Assessment and Coordination Unit (ACU).
12 Access to institutional and community based supports and services shall be through the
13 Assessment and Coordination Unit (ACU). The provision of Medicaid funded long term care
14 services and supports shall be based upon a comprehensive assessment that shall include, but not
15 be limited to, an evaluation of the medical, social and environmental needs of each applicant for
16 these services or programs. The assessment shall serve as the basis for the development and
17 provision of an appropriate plan of care for the applicant.~~

18 c) ~~The ACU shall assess the financial eligibility of beneficiaries to receive long term
19 care services and supports in accordance with the applicable provisions of § 40-8.9-9.~~

20 ~~(d) The ACU shall be responsible for conducting assessments; determining a level of care
21 for applicants for medical assistance; developing service plans; pricing a service budget and
22 developing a voucher when appropriate; making referrals to appropriate settings; maintaining a
23 component of the unit that will provide training to and will educate consumers, discharge
24 planners and providers; tracking utilization; monitoring outcomes; and reviewing service/care
25 plan changes. The ACU shall provide interdisciplinary high cost case reviews and choice
26 counseling for eligible recipients.~~

27 ~~(e) The assessments for individuals conducted in accordance with this section shall serve
28 as the basis for individual budgets for those medical assistance recipients eligible to receive
29 services utilizing a self-directed delivery system.~~

30 ~~(f)~~(d) Nothing in this section shall prohibit the secretary of the executive office of health
31 and human services, or the directors of that office's departments from utilizing community
32 agencies or contractors when appropriate to perform assessment functions outlined in this
33 chapter.

34 **40-8.10-5. Payments.** -- The ~~department of human services~~ executive office of health and

1 [human services](#) shall not make payment for a person receiving a long-term home health care
2 program, while payments are being made for that person for inpatient care in a skilled nursing
3 and/or intermediate care facility or hospital.

4 **40-8.10-6. Rules and regulations.** -- The secretary of the executive office of health and
5 human services, the directors of the department of human services, the ~~department~~ [division](#) of
6 elderly affairs, the department of children youth and families and the department of ~~mental health~~
7 ~~retardation and hospitals~~ [behavioral healthcare, development disabilities and hospitals](#) are hereby
8 authorized to promulgate rules and regulations necessary to implement all provisions of this
9 chapter and to seek necessary federal approvals in accordance with the provisions of the ~~Global~~
10 ~~Compact Waiver~~ [state's Medicaid section 1115 demonstration waiver](#).

11 SECTION 18. Section 40-8.13-2 of the General Laws in Chapter 40-8.13 entitled "Long-
12 Term Managed Care Arrangements" is amended to read as follows:

13 ~~**40-8.13-2. Beneficiary choice.**~~ -- Any managed long term care arrangement shall offer
14 beneficiaries the option to decline participation and remain in traditional Medicaid and, if a duals
15 demonstration project, traditional Medicare. Beneficiaries must be provided with sufficient
16 information to make an informed choice regarding enrollment, including:

17 ~~—(1) Any changes in the beneficiary's payment or other financial obligations with respect
18 to long term care services and supports as a result of enrollment;~~

19 ~~—(2) Any changes in the nature of the long term care services and supports available to
20 the beneficiary as a result of enrollment, including specific descriptions of new services that will
21 be available or existing services that will be curtailed or terminated;~~

22 ~~—(3) A contact person who can assist the beneficiary in making decisions about
23 enrollment;~~

24 ~~—(4) Individualized information regarding whether the managed care organization's
25 network includes the health care providers with whom beneficiaries have established provider
26 relationships. Directing beneficiaries to a website identifying the plan's provider network shall not
27 be sufficient to satisfy this requirement; and~~

28 ~~—(5) The deadline by which the beneficiary must make a choice regarding enrollment,
29 and the length of time a beneficiary must remain enrolled in a managed care organization before
30 being permitted to change plans or opt out of the arrangement.~~

31 **40-8.13-2. Community-Based Supportive Living Program.** -- [\(a\) To expand the
32 number of community-based service options, the executive office of health and human services
33 shall establish a program for beneficiaries opting to participate in managed care long-term care
34 arrangements under this chapter who choose to receive Medicaid-funded assisted living, adult](#)

1 supportive care home, or shared living long-term care services and supports. As part of the
2 program, the executive office shall implement Medicaid certification or, as appropriate, managed
3 care contract standards for state authorized providers of these services that establish an acuity-
4 based, tiered service and payment system that ties reimbursements to: beneficiary's
5 clinical/functional level of need; the scope of services and supports provided; and specific quality
6 and outcome measures. Such standards shall set the base level of Medicaid state plan and waiver
7 services that each type of provider must deliver, the range of acuity-based service enhancements
8 that must be made available to beneficiaries with more intensive care needs, and the minimum
9 state licensure and/or certification requirements a provider must meet to participate in the pilot at
10 each service/payment level. The standards shall also establish any additional requirements, terms
11 or conditions a provider must meet to ensure beneficiaries have access to high quality, cost
12 effective care.

13 (b) Room and board. The executive office shall raise the cap on the amount Medicaid
14 certified assisted living and adult supportive home care providers are permitted to charge
15 participating beneficiaries for room and board. In the first year of the program, the monthly
16 charges for a beneficiary living in a single room who has income at or below three hundred
17 percent (300%) of the Supplemental Security Income (SSI) level shall not exceed the total of both
18 the maximum monthly federal SSI payment and the monthly state supplement authorized for
19 persons requiring long-term services under § 40-6-27.2(a)(1)(vi), less the specified personal need
20 allowance. For a beneficiary living in a double room, the room and board cap shall be set at
21 eighty-five percent (85%) of the monthly charge allowed for a beneficiary living in a single room.

22 (c) Program Cost-effectiveness. The total cost to the state for providing the state
23 supplement and Medicaid-funded services and supports to beneficiaries participating in the
24 program in the initial year of implementation shall not exceed the cost for providing Medicaid-
25 funded services to the same number of beneficiaries with similar acuity needs in an institutional
26 setting in the initial year of the operations. The program shall be terminated if the executive
27 office determines to that the program has not met this target.

28 **40-8.13-5. Financial savings under managed care. Financial principles under**
29 **managed care. --** To the extent that financial savings are a goal under any managed long-term
30 care arrangement, it is the intent of the legislature to achieve such savings through administrative
31 efficiencies, care coordination, ~~and~~ improvements in care outcomes and in a way that encourages
32 the highest quality care for patients and maximizes value for the managed care organization and
33 the state. rather than through reduced reimbursement rates to providers. Therefore, any managed
34 long-term care arrangement shall include a requirement that the managed care organization

1 reimburse providers for services in accordance with ~~the following:~~ these principles.
2 Notwithstanding any law to the contrary, for the twelve (12) month period beginning July 1,
3 2015, Medicaid managed long term care payment rates to nursing facilities established pursuant
4 to this section shall not exceed ninety-eight percent (98.0%) of the rates in effect on April 1,
5 2015.

6 (1) For a duals demonstration project, the managed care organization:

7 (i) Shall not combine the rates of payment for post-acute skilled and rehabilitation care
8 provided by a nursing facility and long-term and chronic care provided by a nursing facility in
9 order to establish a single payment rate for dual eligible beneficiaries requiring skilled nursing
10 services;

11 (ii) Shall pay nursing facilities providing post-acute skilled and rehabilitation care or
12 long-term and chronic care rates that reflect the different level of services and intensity required
13 to provide these services; and

14 (iii) For purposes of determining the appropriate rate for the type of care identified in
15 subsection (1)(ii) of this section, the managed care organization shall pay no less than the rates
16 which would be paid for that care under traditional Medicare and Rhode Island Medicaid for
17 these service types.

18 The state shall not enter into any agreement with a managed care organization in
19 connection with a duals demonstration project unless that agreement conforms to this section, and
20 any existing such agreement shall be amended as necessary to conform to this subsection.

21 (2) For a managed long-term care arrangement that is not a duals demonstration project,
22 the managed care organization shall reimburse providers in an amount not less than the ~~rate~~
23 amount that would be paid for the same care by EOHHS under the Medicaid program. The
24 managed care organization shall not, however, be required to use the same payment methodology
25 as EOHHS.

26 (3) Notwithstanding any provisions of the general or public laws to the contrary, the
27 protections of subsections (1) and (2) of this section may be waived by a nursing facility in the
28 event it elects to accept a payment model developed jointly by the managed care organization and
29 skilled nursing facilities, that is intended to promote quality of care and cost effectiveness,
30 including, but not limited to, bundled payment initiatives, value-based purchasing arrangements,
31 gainsharing, and similar models.

32 (b) Notwithstanding any law to the contrary, for the twelve (12) month period beginning
33 July 1, 2015, Medicaid managed long-term care payment rates to nursing facilities established
34 pursuant to this section shall not exceed ninety-eight percent (98.0%) of the rates in effect on

1 [April 1, 2015.](#)

2 SECTION 19. Sections 42-7.2-2, 42-7.2-5, 42-7.2-6.1, 42-7.2-16, 42-7.2-18 of the
3 General Laws in Chapter 42-7.2 entitled " Executive Office of Health and Human Services" are
4 hereby amended to read as follows:

5 **42-7.2-2. Executive office of health and human services.** -- There is hereby established
6 within the executive branch of state government an executive office of health and human services
7 to serve as the principal agency of the executive branch of state government for managing the
8 departments of children, youth and families, health, human services, and behavioral healthcare,
9 developmental disabilities and hospitals. In this capacity, the office shall:

10 (a) Lead the state's four (4) health and human services departments in order to:

11 (1) Improve the economy, efficiency, coordination, and quality of health and human
12 services policy and planning, budgeting and financing.

13 (2) Design strategies and implement best practices that foster service access, consumer
14 safety and positive outcomes.

15 (3) Maximize and leverage funds from all available public and private sources, including
16 federal financial participation, grants and awards.

17 (4) Increase public confidence by conducting independent reviews of health and human
18 services issues in order to promote accountability and coordination across departments.

19 (5) Ensure that state health and human services policies and programs are responsive to
20 changing consumer needs and to the network of community providers that deliver assistive
21 services and supports on their behalf.

22 ~~(b)(6)~~ Administer ~~the federal and state medical assistance programs~~ [Rhode Island](#)
23 [Medicaid](#) in the capacity of the single state agency authorized under title XIX of the U.S. Social
24 Security act, 42 U.S.C. § 1396a et seq., and exercise such single state agency authority for such
25 other federal and state programs as may be designated by the governor. Except as provided for
26 herein, nothing in this chapter shall be construed as transferring to the secretary the powers,
27 duties or functions conferred upon the departments by Rhode Island general laws for the
28 management and operations of programs or services approved for federal financial participation
29 under the authority of the Medicaid state agency.

30 **42-7.2-5. Duties of the secretary.** -- The secretary shall be subject to the direction and
31 supervision of the governor for the oversight, coordination and cohesive direction of state
32 administered health and human services and in ensuring the laws are faithfully executed,
33 notwithstanding any law to the contrary. In this capacity, the Secretary of Health and Human
34 Services shall be authorized to:

1 (1) Coordinate the administration and financing of health care benefits, human services
2 and programs including those authorized by the ~~Global Consumer Choice Compact Waiver~~ [the](#)
3 [state's Medicaid section 1115 demonstration waiver](#) and, as applicable, the Medicaid State Plan
4 under Title XIX of the US Social Security Act. However, nothing in this section shall be
5 construed as transferring to the secretary the powers, duties or functions conferred upon the
6 departments by Rhode Island public and general laws for the administration of federal/state
7 programs financed in whole or in part with Medicaid funds or the administrative responsibility for
8 the preparation and submission of any state plans, state plan amendments, or authorized federal
9 waiver applications, once approved by the secretary.

10 (2) Serve as the governor's chief advisor and liaison to federal policymakers on Medicaid
11 reform issues as well as the principal point of contact in the state on any such related matters.

12 (3) (a) Review and ensure the coordination of ~~any Global Consumer Choice Compact~~
13 ~~Waiver~~ [the state's Medicaid section 1115 demonstration waiver](#) requests and renewals as well as
14 any initiatives and proposals requiring amendments to the Medicaid state plan or category two
15 (II) or three (III) changes, as described in the special terms and conditions of the ~~Global~~
16 ~~Consumer Choice Compact Waiver~~ [the state's Medicaid section 1115 demonstration waiver](#) with
17 the potential to affect the scope, amount or duration of publicly-funded health care services,
18 provider payments or reimbursements, or access to or the availability of benefits and services as
19 provided by Rhode Island general and public laws. The secretary shall consider whether any such
20 changes are legally and fiscally sound and consistent with the state's policy and budget priorities.
21 The secretary shall also assess whether a proposed change is capable of obtaining the necessary
22 approvals from federal officials and achieving the expected positive consumer outcomes.
23 Department directors shall, within the timelines specified, provide any information and resources
24 the secretary deems necessary in order to perform the reviews authorized in this section;

25 [\(b\) Direct the development and implementation of any Medicaid policies, procedures, or](#)
26 [systems that may be required to assure successful operation of the state's health and human](#)
27 [services integrated eligibility system and coordination with HealthSource RI, the state's health](#)
28 [insurance marketplace.](#)

29 [\(c\) Beginning in 2015, conduct on a biennial basis a comprehensive review of the](#)
30 [Medicaid eligibility criteria for one or more of the populations covered under the state plan or a](#)
31 [waiver to ensure consistency with federal and state laws and policies, coordinate and align](#)
32 [systems, and identify areas for improving quality assurance, fair and equitable access to services,](#)
33 [and opportunities for additional financial participation.](#)

34 [\(d\) Implement service organization and delivery reforms that facilitate service](#)

1 [integration, increase value, and improve quality and health outcomes.](#)

2 (4) Beginning in 2006, prepare and submit to the governor, the chairpersons of the house
3 and senate finance committees, the caseload estimating conference, and to the joint legislative
4 committee for health care oversight, by no later than March 15 of each year, a comprehensive
5 overview of all Medicaid expenditures outcomes, and utilization rates. The overview shall
6 include, but not be limited to, the following information:

7 (i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

8 (ii) Expenditures, outcomes and utilization rates by population and sub-population served
9 (e.g. families with children, ~~children~~ [persons](#) with disabilities, children in foster care, children
10 receiving adoption assistance, adults ~~with disabilities~~ [ages nineteen \(19\) to sixty-four \(64\)](#), and
11 ~~the elderly~~ [elders](#));

12 (iii) Expenditures, outcomes and utilization rates by each state department or other
13 municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the
14 Social Security Act, as amended; and

15 (iv) Expenditures, outcomes and utilization rates by type of service and/or service
16 provider.

17 The directors of the departments, as well as local governments and school departments,
18 shall assist and cooperate with the secretary in fulfilling this responsibility by providing whatever
19 resources, information and support shall be necessary.

20 (5) Resolve administrative, jurisdictional, operational, program, or policy conflicts
21 among departments and their executive staffs and make necessary recommendations to the
22 governor.

23 (6) Assure continued progress toward improving the quality, the economy, the
24 accountability and the efficiency of state-administered health and human services. In this
25 capacity, the secretary shall:

26 (i) Direct implementation of reforms in the human resources practices of the [executive](#)
27 [office and the](#) departments that streamline and upgrade services, achieve greater economies of
28 scale and establish the coordinated system of the staff education, cross-training, and career
29 development services necessary to recruit and retain a highly-skilled, responsive, and engaged
30 health and human services workforce;

31 (ii) Encourage ~~the departments to utilize~~ [EOHHS-wide](#) ~~the utilization of~~ consumer-
32 centered approaches to service design and delivery that expand their capacity to respond
33 efficiently and responsibly to the diverse and changing needs of the people and communities they
34 serve;

1 (iii) Develop all opportunities to maximize resources by leveraging the state's purchasing
2 power, centralizing fiscal service functions related to budget, finance, and procurement,
3 centralizing communication, policy analysis and planning, and information systems and data
4 management, pursuing alternative funding sources through grants, awards and partnerships and
5 securing all available federal financial participation for programs and services provided ~~through~~
6 ~~the departments~~ EOHHS-wide;

7 (iv) Improve the coordination and efficiency of health and human services legal
8 functions by centralizing adjudicative and legal services and overseeing their timely and judicious
9 administration;

10 (v) Facilitate the rebalancing of the long term system by creating an assessment and
11 coordination organization or unit for the expressed purpose of developing and implementing
12 procedures ~~across departments~~ EOHHS-wide that ensure that the appropriate publicly-funded
13 health services are provided at the right time and in the most appropriate and least restrictive
14 setting; ~~and~~

15 (vi) Strengthen health and human services program integrity, quality control and
16 collections, and recovery activities by consolidating functions within the office in a single unit
17 that ensures all affected parties pay their fair share of the cost of services and are aware of
18 alternative financing. ~~and~~

19 ~~(vii) Broaden access to publicly funded food and nutrition services by consolidating~~
20 ~~agency programs and initiatives to eliminate duplication and overlap and improve the availability~~
21 ~~and quality of services; and~~

22 ~~(viii)~~ Assure protective services are available to vulnerable elders and adults with
23 developmental and other disabilities by reorganizing existing services, establishing new services
24 where gaps exist and centralizing administrative responsibility for oversight of all related
25 initiatives and programs.

26 (7) Prepare and integrate comprehensive budgets for the health and human services
27 departments and any other functions and duties assigned to the office. The budgets shall be
28 submitted to the state budget office by the secretary, for consideration by the governor, on behalf
29 of the state's health and human services agencies in accordance with the provisions set forth in §
30 35-3-4 of the Rhode Island general laws.

31 (8) Utilize objective data to evaluate health and human services policy goals, resource use
32 and outcome evaluation and to perform short and long-term policy planning and development.

33 (9) Establishment of an integrated approach to interdepartmental information and data
34 management that complements and furthers the goals of the ~~CHOICES~~ unified health

1 [infrastructure project](#) and that will facilitate the transition to consumer-centered [integrated](#) system
2 of state administered health and human services.

3 (10) At the direction of the governor or the general assembly, conduct independent
4 reviews of state-administered health and human services programs, policies and related agency
5 actions and activities and assist the department directors in identifying strategies to address any
6 issues or areas of concern that may emerge thereof. The department directors shall provide any
7 information and assistance deemed necessary by the secretary when undertaking such
8 independent reviews.

9 (11) Provide regular and timely reports to the governor and make recommendations with
10 respect to the state's health and human services agenda.

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

13 (13) [Assume responsibility for](#) ~~Implement the~~ [complying with the](#) provisions of any
14 general or public law or regulation related to the disclosure, confidentiality and privacy of any
15 information or records, in the possession or under the control of the executive office or the
16 departments assigned to the executive office, that may be developed or acquired [or transferred at](#)
17 [the direction of the governor or the secretary](#) for purposes directly connected with the secretary's
18 duties set forth herein.

19 (14) Hold the director of each health and human services department accountable for
20 their administrative, fiscal and program actions in the conduct of the respective powers and duties
21 of their agencies.

22 **42-7.2-6. Departments assigned to the executive office. --** Powers and duties.-(a) The
23 departments assigned to the secretary shall:

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

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

30 (3) Provide such records and information as may be requested or required by the
31 governor and/or the secretary to ~~the extent allowed under~~ [perform the duties set forth in](#)
32 [subsection 6 of this chapter. Upon developing, acquiring or transferring such records and](#)
33 [information, the secretary shall assume responsibility for complying with](#) the provisions of any
34 applicable general or public law, regulation, or agreement relating to the confidentiality, privacy

1 or disclosure of such records or information.

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

3 (b) Except as provided herein, no provision of this chapter or application thereof shall be
4 construed to limit or otherwise restrict the department of children, youth and families, the
5 department of health, the department of human services, and the department of behavioral
6 healthcare, developmental disabilities and hospitals from fulfilling any statutory requirement or
7 complying with any valid rule or regulation.

8 **42-7.2-6.1. Transfer of powers and functions.** -- (a) There are hereby transferred to the
9 executive office of health and human services the powers and functions of the departments with
10 respect to the following:

11 (1) ~~By July 1, 2007, fiscal~~ Fiscal services including budget preparation and review,
12 financial management, purchasing and accounting and any related functions and duties deemed
13 necessary by the secretary;

14 (2) ~~By July 1, 2007, legal~~ Legal services including applying and interpreting the law,
15 oversight to the rule-making process, and administrative adjudication duties and any related
16 functions and duties deemed necessary by the secretary;

17 (3) ~~By September 1, 2007, communications~~ Communications including those functions
18 and services related to government relations, public education and outreach and media relations
19 and any related functions and duties deemed necessary by the secretary;

20 (4) ~~By March 1, 2008, policy~~ Policy analysis and planning including those functions and
21 services related to the policy development, planning and evaluation and any related functions and
22 duties deemed necessary by the secretary;

23 (5) ~~By June 30, 2008, information~~ Information systems and data management including
24 the financing, development and maintenance of all data-bases and information systems and
25 platforms as well as any related operations deemed necessary by the secretary;

26 (6) ~~By October 1, 2009, assessment~~ Assessment and coordination for long-term care
27 including those functions related to determining level of care or need for services, development of
28 individual service/care plans and planning, identification of service options, the pricing of service
29 options and choice counseling; and

30 (7) ~~By October 1, 2009, program~~ Program integrity, quality control and collection and
31 recovery functions including any that detect fraud and abuse or assure that beneficiaries,
32 providers, and third-parties pay their fair share of the cost of services, as well as any that promote
33 alternatives to publicly financed services, such as the long-term care health insurance partnership.

34 (8) ~~By January 1, 2011, client protective~~ Protective services including any such services

1 provided to children, elders and adults with developmental and other disabilities;

2 (9) [Deleted by P.L. 2010, ch. 23, art. 7, § 1].

3 (10) ~~By July 1, 2012, the~~ [The](#) HIV/AIDS care and treatment programs.

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

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

8 (1) Minimal disruption of services to consumers;

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

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

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

12 (5) Cost-savings are achieved whenever feasible;

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

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

17 (d) Except as provided herein, no provision of this chapter or application thereof shall be
18 construed to limit or otherwise restrict the departments of children, youth and families, human
19 services, health, and behavioral healthcare, developmental disabilities, and hospitals from
20 fulfilling any statutory requirement or complying with any regulation deemed otherwise valid.

21 (e) The secretary shall prepare and submit to the leadership of the house and senate
22 finance committees, by no later than January 1, 2010, a plan for restructuring functional
23 responsibilities across the departments to establish a consumer centered integrated system of
24 health and human services that provides high quality and cost-effective services at the right time
25 and in the right setting across the life-cycle.

26 ~~**42-7.2-12. Medicaid program study.** (a) The secretary of the executive office of
27 health and human services shall conduct a study of the Medicaid programs administered by the
28 state to review and analyze the options available for reducing or stabilizing the level of uninsured
29 Rhode Islanders and containing Medicaid spending.~~

30 ~~(1) As part of this process, the study shall consider the flexibility afforded the state under
31 the federal Deficit Reduction Act of 2006 and any other changes in federal Medicaid policy or
32 program requirements occurring on or before December 31, 2006, as well as the various
33 approaches proposed and/or adopted by other states through federal waivers, state plan
34 amendments, public-private partnerships, and other initiatives.~~

1 ~~(2) In exploring these options, the study shall examine fully the overall administrative~~
2 ~~efficiency of each program for children and families, elders and adults with disabilities and any~~
3 ~~such factors that may affect access and/or cost including, but not limited to, coverage groups,~~
4 ~~benefits, delivery systems, and applicable cost sharing requirements.~~

5 ~~(b) The secretary shall ensure that the study focuses broadly on the Medicaid programs~~
6 ~~administered by the executive office of health and human services and all of the state's four (4)~~
7 ~~health and human services departments, irrespective of the source or manner in which funds are~~
8 ~~budgeted or allocated. The directors of the departments shall cooperate with the secretary in~~
9 ~~preparing this study and provide any information and/or resources the secretary deems necessary~~
10 ~~to assess fully the short and long term implications of the options under review both for the state~~
11 ~~and the people and the communities the departments serve. The secretary shall submit a report~~
12 ~~and recommendations based on the findings of the study to the general assembly and the governor~~
13 ~~no later than March 1, 2007.~~

14 ~~**42-7.2-12.1. Human services call center study (211).** -- (a) The secretary of the~~
15 ~~executive office of health and human services shall conduct a feasibility and impact study of the~~
16 ~~potential to implement a statewide 211 human services call center and hotline. As part of the~~
17 ~~process, the study shall catalog existing human service information hotlines in Rhode Island,~~
18 ~~including, but not limited to, state operated call centers and private and not for profit information~~
19 ~~hotlines within the state.~~

20 ~~(1) The study shall include analysis of whether consolidation of some or all call centers~~
21 ~~into a centralized 211 human services information hotline would be economically and practically~~
22 ~~advantageous for both the public users and agencies that currently operate separate systems.~~

23 ~~(2) The study shall include projected cost estimates for any recommended actions,~~
24 ~~including estimates of cost additions or savings to private service providers.~~

25 ~~(b) The directors of all state departments and agencies shall cooperate with the secretary~~
26 ~~in preparing this study and provide any information and/or resources the secretary deems~~
27 ~~necessary to assess fully the short and long term implications of the operations under review both~~
28 ~~for the state and the people and the communities the departments serve.~~

29 ~~(c) The secretary shall submit a report and recommendations based on the findings of the~~
30 ~~study to the general assembly, the governor, and the house and senate fiscal advisors no later than~~
31 ~~February 1, 2007.~~

32 ~~**42-7.2-13. Severability.** -- If any provision of this chapter or the application thereof to~~
33 ~~any person or circumstance is held invalid, such invalidity shall not ~~effect~~ affect other provisions~~
34 ~~or applications of the chapter, which can be given effect without the invalid provision or~~

1 application, and to this end the provisions of this chapter are declared to be severable.

2 **42-7.2-16. Medicaid System Reform 2008.** -- (a) The executive office of health and
3 human services, in conjunction with the department of human services, the department of
4 children youth and families, the department of health and the department of behavioral
5 healthcare, developmental disabilities, and hospitals, is authorized to design options that further
6 the reforms in the Medicaid ~~program~~ initiated in 2008 to ensure so that it is a person-centered,
7 ~~financially sustainable, cost effective, and opportunity driven program~~ that the program: utilizes
8 competitive and value based purchasing to maximize the available service options, ~~promote~~
9 promotes accountability and transparency, and encourage and reward encourages and rewards
10 healthy outcomes, independence, and responsible choices; promotes efficiencies and the
11 coordination of services across all health and human services agencies; and ensures the state will
12 have a fiscally sound source of publicly-financed health care for Rhode Islanders in need.

13 (b) Principles and Goals. In developing and implementing this system of reform, the
14 executive office of health and human services and the four (4) health and human services
15 departments shall pursue the following principles and goals:

16 (1) Empower consumers to make reasoned and cost-effective choices about their health
17 by providing them with the information and array of service options they need and offering
18 rewards for healthy decisions;

19 (2) Encourage personal responsibility by assuring the information available to
20 beneficiaries is easy to understand and accurate, provide that a fiscal intermediary is provided
21 when necessary, and adequate access to needed services;

22 (3) When appropriate, promote community-based care solutions by transitioning
23 beneficiaries from institutional settings back into the community and by providing the needed
24 assistance and supports to beneficiaries requiring long-term care or residential services who wish
25 to remain, or are better served in the community;

26 (4) Enable consumers to receive individualized health care that is outcome-oriented,
27 focused on prevention, disease management, recovery and maintaining independence;

28 (5) Promote competition between health care providers to ensure best value purchasing,
29 to leverage resources and to create opportunities for improving service quality and performance;

30 (6) Redesign purchasing and payment methods to assure fiscal accountability and
31 encourage and to reward service quality and cost-effectiveness by tying reimbursements to
32 evidence-based performance measures and standards, including those related to patient
33 satisfaction; and

34 (7) Continually improve technology to take advantage of recent innovations and advances

1 that help decision makers, consumers and providers to make informed and cost-effective
2 decisions regarding health care.

3 (c) The executive office of health and human services shall annually submit a report to
4 the governor and the general assembly ~~commencing on a date no later than July 1, 2009~~
5 describing the status of the administration and implementation of the ~~Global Waiver Compact~~
6 [Medicaid Section 1115 demonstration waiver](#).

7 **42-7.2-16.1. Reinventing Medicaid Act of 2015.** -- (a) [The Rhode Island Medicaid](#)
8 [program is an integral component of the state's health care system that provides crucial services](#)
9 [and supports to many Rhode Islanders. As the program's reach has expanded, the costs of the](#)
10 [program have continued to rise and the delivery of care has become more fragmented and](#)
11 [uncoordinated. Given the crucial role of the Medicaid program to the state, it is of compelling](#)
12 [importance that the state conduct a fundamental restructuring of its Medicaid program that](#)
13 [achieves measurable improvement in health outcomes for the people and transforms the health](#)
14 [care system to one that pays for the outcomes and quality they deserve at a sustainable,](#)
15 [predictable and affordable cost.](#)

16 (b) [The Working Group to Reinvent Medicaid, which was established to refine the](#)
17 [principles and goals of the Medicaid reforms begun in 2008, was directed to present to the](#)
18 [general assembly and the governor initiatives to improve the value, quality, and outcomes of the](#)
19 [health care funded by the Medicaid program.](#)

20 **42-7.2-18. Program integrity division.** -- (a) There is hereby established a program
21 integrity division within the office of health and human services to effectuate the transfer of
22 functions pursuant to subdivision 42-7.2-6.1(a)(7). The purposes of this division are:

23 (1) To develop and implement a statewide strategy to coordinate state and local agencies,
24 law enforcement entities, and investigative units in order to increase the effectiveness of
25 programs and initiatives dealing with the prevention, detection, and prosecution of Medicaid and
26 public assistance fraud; ~~and~~

27 (2) To oversee and coordinate state and local efforts to investigate and eliminate
28 Medicaid and public assistance fraud and to recover state and federal funds; ~~and~~ [and](#)

29 [\(3\) To pursue any opportunities to enhance health and human services program integrity](#)
30 [efforts available under the federal Affordable Care Act of 2010, or any such federal or state laws](#)
31 [or regulations pertaining to publicly-funded health and human services administered by the](#)
32 [departments assigned to the executive office.](#)

33 (b) The program integrity division shall provide advice and make recommendations, as
34 necessary, to the secretary of health and human services and all departments assigned to the office

1 to effectuate the purposes of the division. The division shall also propose and execute, with the
2 secretary's approval, recommendations that assure the office and the departments implement in a
3 timely and effective manner corrective actions to remediate any federal and/or state audit findings
4 when warranted.

5 (c) The division shall have the following powers and duties:

6 (1) To conduct a census of local, state, and federal efforts to address Medicaid and public
7 assistance fraud in this state, including fraud detection, prevention, and prosecution, in order to
8 discern overlapping missions, maximize existing resources, and strengthen current programs;

9 (2) To develop a strategic plan for coordinating and targeting state and local resources for
10 preventing and prosecuting Medicaid and public assistance fraud. The plan must identify methods
11 to enhance multi-agency efforts that contribute to achieving the state's goal of eliminating
12 Medicaid and public assistance fraud;

13 (3) To identify methods to implement innovative technology and data sharing in
14 consultation with the office of digital excellence in order to detect and analyze Medicaid and
15 public assistance fraud with speed and efficiency; Such methods as may be effective as a means
16 of detecting incidences of fraud, assisting in directing the focus of an investigation or audit, and
17 determining the amounts a provider owes as the result of such an investigation or audit conducted
18 by the division, a department assigned to the office, Rhode Island Department of Attorney
19 General Medicaid Fraud Control Unit, the U.S. Department of Health and Human Services'
20 Office of Inspector General, the U.S. Department of Justice's Federal Bureau of Investigation, or
21 an authorized agent thereof.

22 (4) To develop and promote, in consultation with federal, state and local law enforcement
23 agencies, crime prevention services and educational programs that serve the public; and

24 (5) To develop and implement electronic fraud monitoring systems and provide training
25 for all Medicaid provider and managed care organizations on the use of such systems and other
26 fraud detection and prevention mechanisms, concerning, but not limited to the following:

- 27 (i) Coverage and billing policies;
- 28 (ii) Participant-centered planning and options available;
- 29 (iii) Covered and non-covered services;
- 30 (iv) Provider accountability and responsibilities;
- 31 (v) Claim submission policies and procedures; and
- 32 (vi) Reconciling claim activity.

33 (d) The division shall annually prepare and submit a report on its activities and
34 recommendations, by January 1, to the president of the senate, the speaker of the house of

1 representatives, the governor, and the chairs of the house of representatives and senate finance
2 committees.

3 SECTION 20: Chapter 42-72.5 of the General Laws entitled, "Children's Cabinet" is
4 hereby amended to read as follows:

5 **42-72.5-1. Establishment.** -- There is established within the executive branch of state
6 government a children's cabinet. The cabinet shall ~~be comprised of:~~ include, but not be limited to:
7 the director of the department of administration; the secretary of the executive office of health
8 and human services; the director of the department of children, youth, and families; the director
9 of the department of ~~mental health, retardation, and hospitals;~~ behavioral healthcare,
10 developmental disabilities, and hospitals; the director of the department of health; the
11 commissioner of ~~higher~~ post-secondary education; the commissioner of elementary and
12 secondary education; the director of the department of human services; ~~the chief information~~
13 ~~officer;~~ the director of the department of labor and training; the child advocate; ~~the director of the~~
14 ~~department of elderly affairs;~~ and the ~~director of policy in the governor's office.~~ governor or his or
15 her designee. The governor shall designate one of the members of the cabinet to be chairperson.

16 **42-72.5-2. Policy and goals.** -- The children's cabinet shall:

17 (1) Meet at least monthly to address all issues, especially those that cross departmental
18 lines, and relate to children's needs and services;

19 (2) Review, amend, and propose all interagency agreements necessary to provide
20 coordinated services to children;

21 (3) Produce an annual comprehensive children's budget, to be submitted with other
22 budget documents to the general assembly;

23 (4) Produce, by ~~July 1, 1992,~~ December 1, 2015, a comprehensive, five (5) year
24 statewide plan and proposed budget for an integrated state child service system. This plan shall be
25 submitted to the governor, ~~and to the chairperson of the permanent legislative commission on the~~
26 ~~department of children, youth, and families;~~ the speaker of the house of representatives and the
27 president of the senate, and updated annually thereafter;

28 (5) ~~Report on its activities at least three (3) times per year to the permanent legislative~~
29 ~~commission on the department of children, youth, and families; and~~

30 (6) ~~Develop a strategic plan to design and implement a single, secure, universal student~~
31 ~~identifier system that does not involve a student's social security number and that will~~ coordinate
32 and share data to foster interagency communication, increase efficiency of service delivery, and
33 simultaneously protect children's legitimate expectations of privacy and rights to confidentiality.
34 This shall include data-sharing with research partners, pursuant to data-sharing agreements, that

1 maintains data integrity and protects the security and confidentiality of these records.

2 **42-72.5-3. Cooperation required.** -- The ~~division of planning in the department of~~
3 ~~administration~~ executive office of health and human services shall provide staff support to the
4 children's cabinet in preparing the integrated state child service system plan as required by this
5 chapter. All departments represented on the children's cabinet shall cooperate with the ~~division of~~
6 ~~planning~~ executive office of health and human services to facilitate the purposes of this chapter.

7 SECTION 21. Rhode Island Medicaid Reform Act of 2008.

8 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode
9 Island Medicaid Reform Act of 2008"; and

10 WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Laws § 42-
11 12.4-1, et seq.; 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 Medicaid section 1115 demonstration 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 and Incentive Program. The executive office of health
23 and human services proposes to eliminate the projected nursing facility rate increase that would
24 otherwise take effect during the state fiscal year 2016. In addition, the executive office proposes
25 to establish a nursing facility incentive program which ties certain payments to nursing facilities
26 in state fiscal year (SFY) 2017 to specific performance-based outcomes. Implementation of these
27 initiatives may require amendments to the Rhode Island's Medicaid state plan and/or Section
28 1115 waiver under the terms and conditions of the demonstration. Further, implementation of
29 these initiatives may require the adoption of new or amended rules, regulations and procedures.

30 (c) Medicaid Hospital Payments Reform – Eliminate Rate Increases for Hospital
31 Inpatient and Outpatient Payments, Incentive Program. In its role as the Medicaid Single State
32 Agency, the EOHHS proposes to reduce inpatient and outpatient hospital payments by
33 eliminating the projected rate increase for both managed care and fee-for-service for state fiscal
34 year (SFY) 2016. Also, the EOHHS proposes to adopt alternative payment strategies for certain

1 hospital services. A payment incentive program for participating hospitals is proposed for SFY
2 2017 that will support performance targets identified by the secretary. Changes in the Medicaid
3 state plan and/or section 1115 waiver authority are required to implement these initiatives.

4 (d) Pilot Coordinated Care Program. The executive office of health and human services
5 proposes to establish a coordinated care program with a community provider that uses shared
6 savings model. Creating a new service delivery option may require authority under the Medicaid
7 waiver demonstration and may necessitate amendments to the state plan. The adoption of new or
8 amended rules may also be required.

9 (e) Medicaid Managed Care Contracts – Improved Efficiency. The EOHHS seeks to
10 realign managed care contracts to focus on paying for value, coordinating health care delivery
11 across providers, and modifying risk/gain sharing arrangements. Implementation of these changes
12 may require section 1115 waiver or state plan authorities.

13 (f) Long-term care arrangements. Implementation of Medicaid reinvention policy
14 initiatives authorized by law or in the SFY 2016 budget that result in managed care contractual
15 arrangements may require new or amended section 1115 and/or state plan authorities.

16 (g) Integrated Care Initiative (ICI) – Enrollment. The EOHHS proposes to establish
17 mandatory enrollment for all Medicaid beneficiaries including but not limited to beneficiaries
18 receiving long-term services and supports through the ICI, including those who are dually eligible
19 for Medicaid and Medicare. Implementation of mandatory enrollment requires section 1115
20 waiver authority under the terms and conditions of the demonstration. New and/or amended rules,
21 regulations and procedures are also necessary to implement this proposal.

22 (h) Behavioral Health --Coordinated Care Management. To improve health outcomes, the
23 state is pursuing development of a population-based health home approach that uses an
24 alternative payment methodology to maximize the cost-effectiveness and quality of services
25 provided to persons living with serious mental illness. Implementation of this approach may
26 require amendments to the Medicaid state plan and section 1115 waiver authorities as well as
27 adoption or amendment of rules, regulations and procedures.

28 (i) Community Health Teams and Targeted Services. The EOHHS proposes to use
29 community health teams to provide services and supports to beneficiaries with intensive care
30 needs. Implementation of the initiative may require additional section 1115 waiver authorities.
31 New and amended rules, regulations and procedures may also be necessary related to these
32 program changes.

33 (j) Implementation of Home and Health Stabilization Services. The EOHHS may
34 implement an innovative home and health stabilization program that targets beneficiaries who

1 have complex needs and are homeless, at risk for homelessness, or transitioning from high cost
2 intensive care settings back into the community. Implementation of this program requires Section
3 1115 waiver authority and may necessitate changes to EOHHS' rules, regulations and procedures.

4 (k) STOP Program Established. The Medicaid agency proposes to establish a new
5 Sobering Treatment Opportunity Program (STOP). Section 1115 demonstration waiver authority
6 for this program may be required and the adoption of new or amended rules and regulations.

7 (l) Medicaid Eligibility Criteria and System Processes – Review and Realignment. The
8 EOHHS proposes to review state policies related to each Medicaid eligibility coverage group to
9 ensure application, renewal, and service delivery requirements pose the least administrative
10 burden on beneficiaries and provide the maximum amount of financial participation allowed
11 under applicable federal laws and regulations. Changes in the section 1115 waiver and/or state
12 plan may be required to implement any changes deemed necessary by the secretary necessary as a
13 result of this review. New and amended rules, regulations and procedures may also be required.

14 (m) Reform of Long-term Care Eligibility Criteria – The EOHHS proposes to reform the
15 clinical/functional eligibility used to determine access to the highest and high level of care to
16 reflect regional and national standards and promote greater utilization of non-institutional care
17 settings by beneficiaries with lower acuity care needs. Section 1115 waiver authority is required
18 to implement the reform in clinical/functional criteria. Amendments to related rules, regulations
19 and procedures are also necessary.

20 (n) Alternative Payment Arrangements – The EOHHS proposes to develop and
21 implement alternative payment arrangements that maximize value and cost-effectiveness, and tie
22 payments to improvements in service quality and health outcomes. Amendments to the section
23 1115 waiver and/or the Medicaid state plan may be required to implement any alternative
24 payment arrangements the EOHHS is authorized to pursue.

25 (o) Behavioral Healthcare Services Reform – As part of its reform implementation plan
26 for achieving integrated, coordinated care of those with chronic mental illness, the department of
27 behavioral healthcare, developmental disabilities, and hospitals, in partnership with the executive
28 office of health and human services, shall include the option for at least one population-based
29 arrangement, pilot, contract, or agreement for the care of those with chronic mental illness.

30 The goal of this population-based arrangement shall be to test and evaluate this
31 arrangement as an effective means of realizing total improved health outcomes for the population,
32 improved quality of care, and the more efficient and effective utilization of resources.

33 The department, in partnership with the executive office of health and human services,
34 will be given the authority to execute contracts with Medicaid and/or the contracted managed care

1 entity/entities to achieve the alternative payment methodology for the population specified. These
2 arrangements are targeted to be executed and implemented by September 1, 2015.

3 (p) Payment Methodology for Services to Adults with Developmental Disabilities. The
4 department of behavioral healthcare developmental disabilities and hospitals proposes to revise
5 the payment methodology and/or rates for services provided to adults with developmental
6 disabilities pursuant to the individual services plans defined in §40.1-2.21-4.3. Amendments to
7 the section 1115 waiver and/or the Medicaid state plan may be required to implement any
8 alternative payment methodology, arrangements or rates. New and amended rules, regulations
9 and procedures may also be required. The office of health and human services shall certify that
10 sufficient funding exists within the current appropriation to implement the changes.

11 (q) Approved Authorities: Section 1115 Waiver Demonstration Extension. The Medicaid
12 agency proposes to continue implementation of authorities approved under the Section 1115
13 waiver demonstration extension request – formerly known as the Global Consumer Choice
14 Waiver – that (1) continue efforts to re-balance the system of long term services and supports by
15 assisting people in obtaining care in the most appropriate and least restrictive setting; (2) pursue
16 utilization of care management models that offer a "health home", promote access to preventive
17 care, and provide an integrated system of services; (3) use payments and purchasing to finance
18 and support Medicaid initiatives that fill gaps in the integrated system of care; and (4) recognize
19 and assure access to the non-medical services and supports, such as peer navigation and
20 employment and housing stabilization services, that are essential for optimizing a person's health,
21 wellness and safety and reduce or delay the need for long term services and supports.

22 (r) ACA Opportunities --Medicaid Requirements and Opportunities under the U.S.
23 Patient Protection and Affordable Care Act of 2010 (PPACA). The EOHHS proposes to pursue
24 any requirements and/or opportunities established under the PPACA that may warrant a Medicaid
25 State Plan Amendment or amendment under the terms and conditions of Rhode Island's Section
26 1115 Waiver, its successor, or any extension thereof. Any such actions the EOHHS takes shall
27 not have an adverse impact on beneficiaries or cause there to be an increase in expenditures
28 beyond the amount appropriated for state fiscal year 2016. Now, therefore, be it

29 RESOLVED, that the general assembly hereby approves proposals (a) through (r) listed
30 above to amend the demonstration; and be it further

31 RESOLVED, that the secretary of the office of health and human services is authorized
32 to pursue and implement any waiver amendments, state plan amendments, and/or changes to the
33 applicable department's rules, regulations and procedures approved herein and as authorized by §
34 42-12.4-7; and be it further

1 [RESOLVED, that this joint resolution shall take effect upon passage.](#)

2 SECTION 22. This article shall take effect upon passage.

3

1 [Rhode Island department of elementary and secondary education shall provide funding to support](#)
2 [transition expenses for all districts that do not offer universal full-day kindergarten programs in](#)
3 [the 2015-2016 school year. This funding shall not exceed the amount of state aid that would](#)
4 [otherwise have been provided to the district for operating a universal full-day kindergarten](#)
5 [program and shall be based upon 2015 enrollment data and funding formula transition rates. For](#)
6 [purposes of the calculation under this section, a district's half-day kindergarten enrollment as of](#)
7 [March 2015 shall be multiplied by two.](#)

8 **16-99-4. Eligible school districts; funding.** -- (a) A school district shall be eligible to
9 request funding pursuant to § 16-99-4(b), if:

10 (1) The school district is a public school district; and

11 (2) The school district operates a half-day kindergarten program as of September 1,
12 2012, but not a full-day kindergarten, as defined herein, serving more than one-half of the
13 kindergarten students in the district as determined on a headcount basis.

14 (b) Subject to appropriation, beginning with school year 2013-2014, [and through school](#)
15 [year 2014-2015](#), the commissioner of elementary and secondary education shall rank and approve
16 eligible public school districts that voluntarily implement a full-day kindergarten program as
17 defined herein. The aforementioned school district shall receive funding to offset a portion of the
18 reasonable, one-time start-up costs including, but not limited to, desks, books, facility upgrades,
19 ancillary costs associated with relocation of students, costs associated with the development and
20 implementation of new curriculum, and any other necessary expenses associated with each
21 school's implementation of a full-day kindergarten program. Ranking shall be based upon criteria
22 established by the commissioner of elementary and secondary education to ensure the quality and
23 sustainability of the full-day kindergarten programs implemented.

24 In ranking the school districts' proposals, the commissioner shall consider the quality and
25 sustainability of the program and the average number of children eligible for USDA reimbursable
26 school meals served by the respective district's elementary schools with priority given to school
27 districts with enrollment greater than eight thousand (8,000).

28 If no school district has enrollment greater than eight thousand (8,000), then priority
29 shall be given to school districts with enrollment greater than four thousand (4,000).

30 (c) The commissioner shall fully fund all eligible expenditures of each district in rank
31 order. If a district's proposal cannot be fully funded, the district may either accept the available
32 funding for the project or refuse funding. If funding is refused, the commissioner shall fund the
33 next eligible school district's request based on the aforementioned ranking.

34 (d) School districts receiving funds pursuant to this chapter must operate only a full-day

1 program, no half-day programs. The full-day kindergarten program must continue to operate for
2 five (5) years.

3 (e) All funding provided under this section is subject to appropriation.

4 (f) Notwithstanding the provisions of subsection (d), school districts that request funding
5 pursuant to this chapter may be allowed to phase-in the implementation of a full-day kindergarten
6 program, provided that the district provides the department of elementary and secondary
7 education with a schedule and plan as to the implementation of such program.

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

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ARTICLE 7

RELATING TO HIGHER EDUCATION ASSISTANCE AUTHORITY

SECTION 1. Chapter 16-37 entitled "Best and Brightest Scholarship Fund" is hereby repealed.

~~**16-37-1 Short title.**— This chapter shall be known and may be cited as the "Best and Brightest Scholarship Act."~~

~~**16-37-2 Establishment of scholarship fund.**— There is established the best and brightest scholarship fund, sometimes referred to as the "fund" or the "scholarship fund," which shall be utilized to attract the best and the brightest of the state's high school graduates, as defined in this chapter, into public school teaching within the state. The general assembly shall annually appropriate any funds as it deems necessary to implement the purposes of this chapter.~~

~~**16-37-3 Scholarship committee—Members—Meetings—Officers.**— There is established the best and brightest scholarship committee, consisting of nine (9) members: one shall be the commissioner of elementary and secondary education, or the commissioner's designee; one shall be the commissioner of higher education, or the commissioner's designee; one shall be the president of the Rhode Island Federation of Teachers, or the president's designee; one shall be the president of the National Education Association of Rhode Island, or the president's designee; one shall be the president of the Rhode Island association of school committees, or the president's designee; one shall be the president of the Rhode Island Association of Superintendents of Schools, or the president's designee; one shall be the executive director of the Rhode Island higher education assistance authority, or the director's designee; and two (2) shall be the parents of public or private school students, to be appointed by the governor for a two (2) year term. The committee shall elect a chairperson, vice chairperson, secretary, and treasurer for one year terms.~~

~~**16-37-4 Scholarship committee—Powers.**— The committee is authorized and empowered:~~

- ~~(1) To adopt rules and regulations designed to implement the provisions of this chapter;~~
- ~~(2) To adopt selection criteria, consistent with this chapter, for best and brightest scholars;~~
- ~~(3) To select annually the best and brightest scholars;~~

- 1 ~~(4) To grant appropriate extensions pursuant to § 16-37-8;~~
2 ~~(5) To supervise the disbursement of the best and brightest scholarship fund;~~
3 ~~(6) To work in cooperation with the Rhode Island higher education assistance authority~~
4 ~~which is directed to provide the committee with staff assistance necessary to carry out the~~
5 ~~purposes of this chapter;~~
6 ~~(7) To receive donations and grants from sources including, but not limited to, the federal~~
7 ~~government, governmental and private foundations, and corporate and individual donors; these~~
8 ~~donations and grants to be deposited in the scholarship fund.~~

9 ~~**16-37-5 Eligibility for scholarship.**— To be considered for the scholarship, all applicants~~
10 ~~must:~~

- 11 ~~(1) Be a graduating senior at a public, parochial, or private high school in Rhode Island;~~
12 ~~(2) Be accepted for admission at an accredited college or university in the United States~~
13 ~~or Canada;~~
14 ~~(3) Achieve one or more of the following distinctions:~~
15 ~~(i) Be in the top ten percent (10%) of the applicant's graduating class as of the end of the~~
16 ~~second quarter of the senior year;~~
17 ~~(ii) Have a score in the ninetieth (90th) percentile or above on either the mathematics or~~
18 ~~verbal section of the scholastic aptitude test (S.A.T.);~~
19 ~~(iii) Have a combined mathematics and verbal S.A.T. score in the eighty fifth (85th)~~
20 ~~percentile or above.~~

21 ~~**16-37-6 Award of scholarship—Conditions.**— At any time that sufficient funds become~~
22 ~~available the committee shall award scholarships in the amount of five thousand dollars (\$5,000)~~
23 ~~for each of the four (4) years of college attendance to each of the eligible applicants which the~~
24 ~~committee deems to be most qualified for the scholarship; provided, that to maintain entitlement~~
25 ~~to the scholarship each recipient must:~~

- 26 ~~(1) Be enrolled as a full time student in an accredited college or university;~~
27 ~~(2) Pursue a course of study leading to Rhode Island teacher certification; and~~
28 ~~(3) Maintain satisfactory progress as determined by the college or university attended by~~
29 ~~the recipient.~~

30 ~~**16-37-7 Requirement of public school teaching services.**— Each recipient of the~~
31 ~~scholarship shall be required to teach in the public schools of this state for two (2) years for each~~
32 ~~year of scholarship assistance. This requirement must be completed within ten (10) years of~~
33 ~~college graduation if the scholarship was used for all four (4) years of college, within eight (8)~~
34 ~~years if used for three (3) full years of college, within six (6) years if used for two (2) full years of~~

1 college, and within four (4) years if used for one full year of college; provided, however, that a
2 recipient shall be granted an extension of the requirement upon a showing by the recipient that he
3 or she:

4 (1) Returns to a full time course of study related to the field of public school teaching or
5 administration;

6 (2) Is serving, not in excess of three (3) years, as a member of the armed forces of the
7 United States;

8 (3) Is temporarily totally disabled for a period of time not to exceed three (3) years as
9 established by the sworn affidavit of a qualified physician; or

10 (4) Is seeking and unable to find employment in Rhode Island as a certified public school
11 teacher.

12 ~~**16-37-8 Failure to comply with § 16-37-7—Exceptions.** Any recipient who fails to~~
13 ~~comply with the requirements of § 16-37-7 shall be required to reimburse the scholarship fund for~~
14 ~~all money received by the recipient, together with interest at a rate to be set by the Rhode Island~~
15 ~~higher education assistance authority in conformity with the interest rate of the guaranteed~~
16 ~~student loan program in effect at the time any required repayment begins; provided, that no~~
17 ~~person shall be required to reimburse the fund who has become permanently disabled as~~
18 ~~determined by a physician qualified by this state to render this opinion.~~

19 ~~**16-37-9 Severability.** If any provision of this chapter or of any rule or regulation made~~
20 ~~under this chapter, or its application to any person or circumstance, is held invalid by a court of~~
21 ~~competent jurisdiction, the remainder of the chapter, rule, or regulation and the application of the~~
22 ~~provision to other persons or circumstances shall not be affected by its invalidity. The invalidity~~
23 ~~of any section or sections or parts of any section or sections of this chapter shall not affect the~~
24 ~~validity of the remainder of this chapter.~~

25 SECTION 2. Sections 16-41-3 and 16-41-5 of the General Laws in Chapter 16-41
26 entitled "New England Higher Education Compact" are hereby amended to read as follows:

27 ~~**16-41-3 Rhode Island board members – Qualifications.**~~ – (a) The ~~authority~~ governor
28 shall appoint four (4) resident members from Rhode Island who shall serve in accordance with
29 article II of the compact. In the month of May in each year the ~~authority~~ governor shall appoint
30 successors to those members of the compact whose terms shall expire in that year, to hold office
31 on the first day of June in the year of appointment and until the first day of June in the third year
32 after their successors are appointed and qualified.

33 (b) The president of the senate shall appoint two (2) members of the senate to serve in
34 accordance with article II for the member's legislative term.

1 (c) The speaker of the house shall appoint two (2) members of the house to serve in
2 accordance with article II for the member's legislative term.

3 (d) Any vacancy of a member which shall occur in the commission shall be filled by the
4 appointing authority for the remainder of the unexpired term. All members shall serve without
5 compensation but shall be entitled to receive reimbursement for reasonable and necessary
6 expenses actually incurred in the performance of their duties.

7 **16-41-5 Repayment of loans.** – (a) Dental, medical, optometry, osteopathic, and
8 veterinary medical students that attend schools under the Rhode Island health professions contract
9 program which are supported by funds from the state may decrease their indebtedness to the state
10 under the following options:

11 (1) Upon completion of his or her dental, medical, optometry, osteopathic, or veterinary
12 training, including internship and residency training, a student who establishes residency in the
13 state will be relieved of fifteen percent (15%) of that indebtedness per year for each year that the
14 student is employed by the state in a full time capacity for a maximum cancellation of seventy-
15 five percent (75%) for five (5) years of employment.

16 (2) Any graduate who establishes residency in the state will be relieved of ten percent
17 (10%) of that indebtedness per year for each year that he or she practices dentistry, medicine,
18 optometry, osteopathy, or veterinary medicine in the state in a full time capacity for a maximum
19 cancellation of fifty percent (50%) for five (5) years of practice.

20 (b) In no event shall any student's cancellation of indebtedness under subsection (a)
21 exceed seventy-five percent (75%).

22 (c) In no event shall any student be entitled to a refund of any sums paid on his or her
23 indebtedness by virtue of the provisions of this section.

24 (d) The ~~authority~~ [office of the postsecondary commissioner](#) shall promulgate rules and
25 regulations which are necessary and proper to promote the full implementation of this section.

26 SECTION 3. Sections 16-56-3, 16-56-7, 16-56-8, 16-56-9 and 16-56-13 of the General
27 Laws in Chapter 16-56 entitled "Postsecondary Student Financial Assistance" are hereby
28 repealed.

29 ~~**16-56-3 General eligibility requirements.** – (a) Eligibility of individuals. An applicant~~
30 ~~is eligible for a monetary award when the authority finds:~~

31 ~~(1) That the applicant is a resident of this state;~~

32 ~~(2) That the applicant is enrolled or intends to be enrolled in a program of study which~~
33 ~~leads to a certificate or degree at an eligible postsecondary institution;~~

34 ~~(3) That the applicant exhibits financial need.~~

1 ~~(b) Eligibility of institutions. An applicant may apply for an award for the purpose of~~
2 ~~attending an institution of postsecondary education whether designated as a university, college,~~
3 ~~community college, junior college, or scientific or technical school, which either:~~

4 ~~(1) Is an institution that has gained accreditation from an accrediting agency which is~~
5 ~~recognized by the United States office of education; or~~

6 ~~(2) Has gained the explicit endorsement from the authority for the purpose of Rhode~~
7 ~~Island postsecondary student financial assistance.~~

8 ~~**§ 16-56-7 Need based scholarships.**—(a) Amount of funds allocated. In accordance with~~
9 ~~authority policies, the authority shall allocate annually to need based scholarships any portion of~~
10 ~~the total appropriation to this chapter as it may deem appropriate for the purpose of carrying out~~
11 ~~the provisions of this section.~~

12 ~~(b) Definitions:~~

13 ~~(1) "Educational costs" means the same as defined in § 16-56-6.~~

14 ~~(2) "Family contribution" means the same as defined in § 16-56-6.~~

15 ~~(3) "Federal grant assistance" means the same as defined in § 16-56-6.~~

16 ~~(4) "Self help" means the same as defined in § 16-56-6.~~

17 ~~(5) "State grant assistance" shall be of any sum awarded to the student as determined in~~
18 ~~need based grants pursuant to § 16-56-6.~~

19 ~~(c) Eligibility of individuals. Eligibility for need based scholarships shall be determined~~
20 ~~by the authority when it is established that the applicant is found to meet the general eligibility~~
21 ~~requirements as stated in § 16-56-3; and that the applicant is judged to be an outstanding student~~
22 ~~on the basis of criteria approved by the authority. The criteria, at a minimum, shall consider the~~
23 ~~following:~~

24 ~~(1) A student's scholastic ability and promise; and/or~~

25 ~~(2) A student's subject competencies including those that might extend beyond the~~
26 ~~academic fields.~~

27 ~~(d) Amount of the awards. The amount of the need based scholarships shall be not less~~
28 ~~than two hundred and fifty dollars (\$250) and no greater than two thousand dollars (\$2,000) and~~
29 ~~shall be based upon the following formula: need equals educational costs less the sum of family~~
30 ~~contribution plus self help plus federal grant assistance plus state grant assistance. Honorary~~
31 ~~awards shall be presented to students who are determined to have insufficient financial need for~~
32 ~~monetary awards.~~

33 ~~(e)(1) Number and terms of awards. The number of awards to be granted in any one fiscal~~
34 ~~year shall be contingent upon the funds allocated to this section. Students determined to be most~~

1 ~~outstanding shall receive priority for an award.~~

2 ~~(2) Each award is renewable by the authority annually for a period of time equivalent to~~
3 ~~what is reasonably required for the completion of a baccalaureate or associate degree. The~~
4 ~~authority shall grant a renewal only upon the student's application and upon the authority's~~
5 ~~finding that:~~

6 ~~(i) The applicant has completed successfully the work of the preceding year and has~~
7 ~~demonstrated continued scholarly achievement;~~

8 ~~(ii) The applicant remains a resident of this state; and~~

9 ~~(iii) The applicant's financial situation continues to warrant receipt of a monetary award.~~

10 ~~**16-56-8 Need based work opportunities.** (a) Amount of funds allocated. The authority~~
11 ~~shall allocate an amount annually to need based work opportunities not exceeding twenty percent~~
12 ~~(20%) of the total appropriation to this chapter.~~

13 ~~(b) Eligibility of individuals. Eligibility for need based work opportunities shall be~~
14 ~~determined by the authority when it is established that the applicant is found to meet the general~~
15 ~~eligibility requirements stated in § 16-56-3.~~

16 ~~(c) Number and terms of work opportunities.~~

17 ~~(1) Each applicant is eligible for consideration for participation in need based work~~
18 ~~opportunities for a period of time equivalent to what is reasonably required for the completion of~~
19 ~~the baccalaureate or associate degree. The authority shall grant a renewal only upon the student's~~
20 ~~application and upon the authority's finding that:~~

21 ~~(i) The applicant has completed successfully the academic work of the preceding year;~~

22 ~~(ii) The applicant remains a resident of this state; and~~

23 ~~(iii) The applicant's financial situation continues to warrant the work opportunities.~~

24 ~~(2) If the funds available are insufficient to satisfy fully the financial need of the total~~
25 ~~number of applicants, priorities shall be determined by the authority.~~

26 ~~(d) Suitable employment. Students may enter into employment with agencies deemed~~
27 ~~eligible for participation in the federal college work study program.~~

28 ~~**16-56-9 Granting of awards.** The authority may distribute the funds allocated to the~~
29 ~~need based work opportunity program to eligible Rhode Island institutions or directly to eligible~~
30 ~~students as the authority may deem appropriate.~~

31 ~~**16-56-13 Income exclusion from financial aid needs test.** Notwithstanding any other~~
32 ~~provision of this chapter, chapter 57 of this title, or any other general or public law, or regulations~~
33 ~~issued pursuant to these, to the extent permitted by federal law, the first twenty five thousand~~
34 ~~dollars (\$25,000) of Rhode Island savings bond investment or the first twenty five thousand~~

1 ~~dollars (\$25,000) of United States savings bonds issued after December 31, 1989 or any~~
2 ~~combination of these not exceeding twenty five thousand dollars (\$25,000) shall not be~~
3 ~~considered in evaluating the financial situation of a student, or be deemed a financial resource of~~
4 ~~or a form of financial aid or assistance to the student, for the purposes of determining the~~
5 ~~eligibility of the student for any guaranteed loan, scholarship, grant, monetary assistance, or need~~
6 ~~based work opportunity, awarded by the Rhode Island higher education assistance authority or the~~
7 ~~state pursuant to any other law of this state; nor shall any Rhode Island savings bond investment~~
8 ~~or United States savings bonds issued after December 31, 1989, provided for a student reduce the~~
9 ~~amount of any guaranteed loan, scholarship, grant, or monetary assistance which the student is~~
10 ~~entitled to be awarded by the Rhode Island higher education assistance authority in accordance~~
11 ~~with any other law of this state.~~

12 SECTION 4. Sections 16-56-2, 16-56-5, 16-56-6, and 16-56-10 of the General Laws in
13 Chapter 16-56 entitled "Postsecondary Student Financial Assistance" are hereby amended to read
14 as follows.

15 **16-56-2 General appropriation.** -- (a) The general assembly shall appropriate annually a
16 sum to provide postsecondary financial assistance ~~pay every award authorized by §§ 16-56-2—~~
17 ~~16-56-12. For each fiscal year the appropriation shall be determined by multiplying forty percent~~
18 ~~(40%) of the October enrollment for the prior four (4) June graduating classes eligible for new or~~
19 ~~renewed awards times one thousand dollars (\$1,000). This sum may be supplemented from time~~
20 to time by other sources of revenue including but not limited to federal programs.

21 ~~(b) Notwithstanding the provisions of subsection (a), the sums appropriated in each fiscal~~
22 ~~year are the sums appropriated for this purpose in Article 1 of P.L. 1992, ch. 133.~~

23 **16-56-5 Annual evaluation.** -- An evaluation of this chapter shall be performed annually
24 by the authority office of the postsecondary commissioner. The evaluation shall provide, as a
25 minimum, a summary of the following information relating to award recipients: family income,
26 student financial needs, basic educational opportunity grant awards, state awards, institutional
27 based student assistance awards, federally guaranteed loans, other student assistance, institution
28 attended, and other pertinent information.

29 **16-56-6 Need based grants.** -- (a) *Amount of funds allocated.* ~~In accordance with~~
30 ~~authority policies, the authority shall allocate annually to need based grants any portion of the~~
31 ~~total appropriation to this chapter as it may deem appropriate for the purpose of carrying out the~~
32 ~~provisions of this section.~~ The commissioner of postsecondary education shall allocate annually
33 the appropriation for need based scholarships and grants. Of the total amount appropriated for
34 need based scholarship and grants, the lesser of twenty percent (20%) or two million dollars

1 (\$2,000,000) shall be distributed to qualified students attending participating independent, non-
2 profit, higher education institutions in Rhode Island. The remainder of funds shall be limited to
3 public higher education institutions in Rhode Island. As part of the annual budget submission, the
4 office of postsecondary commissioner shall include a plan of how the need based scholarship and
5 grant funds will be allocated to each public institution receiving funds pursuant to this chapter,
6 and how the funds will be distributed to students attending independent, non-profit institutions.

7 ~~(b) Definitions. The following words and phrases have the following definitions for the~~
8 ~~purpose of this chapter except to the extent that any of these words or phrases is specifically~~
9 ~~qualified by its context:~~

10 ~~(1) "Educational costs" shall be equal to the costs to a student attending the institution of~~
11 ~~the student's choice.~~

12 ~~(2) "Family contribution" shall be the sum expected to be contributed by the family,~~
13 ~~which amount shall be determined by an approved needs analysis system.~~

14 ~~(3) "Federal grant assistance" shall be that grant in aid which is provided by the federal~~
15 ~~government to students for the purpose of attending postsecondary education. This assistance~~
16 ~~may include, but not necessarily be limited to, basic educational opportunity grants, social~~
17 ~~security benefits, and veterans survivors' benefits.~~

18 ~~(4) "Self help" shall be a sum determined by the authority and shall be a total determined~~
19 ~~by considering the ability of the student to earn or borrow during full time enrollment.~~

20 ~~(b)(e) Eligibility of individuals. Eligibility for need based grants~~ and scholarships ~~shall be~~
21 ~~determined by the authority when it is established that the applicant is found to meet the general~~
22 ~~eligibility requirements stated in § 16-56-3~~ office of the postsecondary commissioner.

23 ~~(d) Amount of the awards. The amount of the need based grants shall be not less than two~~
24 ~~hundred and fifty dollars (\$250) and no greater than two thousand dollars (\$2,000) and shall be~~
25 ~~based upon the following formula: need equals educational cost less the sum of family~~
26 ~~contribution plus self help plus federal grant assistance.~~

27 ~~(c)(e) Number and terms of awards. (1)~~ The number of awards to be granted in any one
28 fiscal year shall be contingent upon the funds allocated to this section.

29 ~~(2) If the funds available are insufficient to satisfy fully the financial need of the eligible~~
30 ~~students, priority of students shall be determined by the authority.~~

31 ~~(3) Each applicant is eligible for consideration for an award for a period of time~~
32 ~~equivalent to what is required for the completion of a baccalaureate or associate degree on a full~~
33 ~~time basis. The authority shall grant a renewal only upon the student's application and upon the~~
34 ~~authority's finding that:~~

1 ~~(i) The applicant has completed successfully the work of the preceding year;~~

2 ~~(ii) The applicant remains a resident of the state; and~~

3 ~~(iii) The applicant's financial situation continues to warrant receipt of a monetary award.~~

4 **16-56-10 Rules and regulations.** -- In addition to the powers and duties prescribed in
5 previous sections of this chapter, the ~~authority~~ office of the postsecondary commissioner shall
6 promulgate rules and regulations and take any other actions which will promote the full
7 implementation of all provisions of this chapter.

8 SECTION 5. Sections 16-57-5, 16-57-6, 16-57-6.6, 16-57-11, 16-57-13, 16-57-14, 16-
9 57-15 and 16-57-17 of the General Laws in Chapter 16-57 entitled "Higher Education Assistance
10 Authority" [See Title 16 Chapter 97 – The Rhode Island Board of Education Act] are hereby
11 repealed.

12 ~~**16-57-5 General powers.**— The authority shall have all of the powers necessary and
13 convenient to carry out and effectuate the purposes and provisions of this chapter, including
14 without limiting the generality of the foregoing the power:~~

15 ~~(1) To sue and be sued, complain and defend, in its corporate name.~~

16 ~~(2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
17 facsimile of it, to be impressed or affixed or in any other manner reproduced.~~

18 ~~(3) To acquire the assets and assume the liabilities or to effect the merger into itself of
19 any corporation or other organization incorporated or organized under the laws of this state,
20 which corporation or organization has as its principal business the guaranteeing of loans to
21 students in eligible institutions, all upon any terms and for any consideration as the authority shall
22 deem to be appropriate.~~

23 ~~(4) To make contracts and guarantees and incur liabilities, and borrow money at any rates
24 of interest as the authority may determine.~~

25 ~~(5) To make and execute all contracts, agreements, and instruments necessary or
26 convenient in the exercise of the powers and functions of the authority granted by this chapter.~~

27 ~~(6) To lend money for its purposes, and to invest and reinvest its funds.~~

28 ~~(7) To conduct its activities, carry on its operations, and have offices and exercise the
29 powers granted by this chapter, within or without the state.~~

30 ~~(8) To elect, appoint, or employ in its discretion officers and agents of the authority, and
31 define their duties.~~

32 ~~(9) To make and alter bylaws, not inconsistent with this chapter, for the administration
33 and regulation of the affairs of the authority, and the bylaws may contain provisions indemnifying
34 any person who is or was a director, officer, employee, or agent of the authority, in the manner~~

1 ~~and to the extent provided in § 7-1.2-814.~~

2 ~~(10) To have and exercise all powers necessary or convenient to effect its purposes.~~

3 ~~**16-57-6 Additional general powers.** (a) In addition to the powers enumerated in § 16-~~
4 ~~57-5, the authority shall have power:~~

5 ~~(1) To guarantee one hundred percent (100%) of the unpaid principal and accrued interest~~
6 ~~of any eligible loan made by a lender to any eligible borrower for the purpose of assisting the~~
7 ~~students in obtaining an education in an eligible institution.~~

8 ~~(2) To procure insurance of every nature to protect the authority against losses which may~~
9 ~~be incurred in connection with its property, assets, activities, or the exercise of the powers granted~~
10 ~~under this chapter.~~

11 ~~(3) To provide advisory, consultative, training, and educational services, technical~~
12 ~~assistance and advice to any person, firm, partnership, or corporation, whether the advisee is~~
13 ~~public or private, in order to carry out the purposes of this chapter.~~

14 ~~(4) When the authority deems it necessary or desirable, to consent to the modification,~~
15 ~~with respect to security, rate of interest, time of payment of interest or principal, or any other term~~
16 ~~of a bond or note, contract, or agreement between the authority and the recipient or maker of a~~
17 ~~loan, bond, or note holder, or agency or institution guaranteeing the repayment of, purchasing, or~~
18 ~~selling an eligible loan.~~

19 ~~(5) To engage the services of consultants on a contract basis for rendering professional~~
20 ~~and technical assistance and advice, and to employ attorneys, accountants, financial experts, and~~
21 ~~any other advisers, consultants, and agents as may be necessary in its judgment, and to fix their~~
22 ~~compensation.~~

23 ~~(6) To contract for and to accept any gifts, grants, loans, funds, property, real or personal,~~
24 ~~or financial or other assistance in any form from the United States or any agency or~~
25 ~~instrumentality of the United States, or from the state or any agency or instrumentality of the~~
26 ~~state, or from any other source, and to comply, subject to the provisions of this chapter, with the~~
27 ~~terms and conditions of those entities. Loans provided pursuant to subsection (b) of this section~~
28 ~~shall be repaid to the authority and deposited as general revenues of the state.~~

29 ~~(7) To prescribe rules and regulations deemed necessary or desirable to carry out the~~
30 ~~purposes of this chapter, including without limitation rules and regulations:~~

31 ~~(i) To insure compliance by the authority with the requirements imposed by statutes or~~
32 ~~regulation governing the guaranty, insurance, purchase, or other dealing in eligible loans by~~
33 ~~federal agencies, instrumentalities, or corporations,~~

34 ~~(ii) To set standards of eligibility for educational institutions, students, and lenders and to~~

1 ~~define residency and all other terms as the authority deems necessary to carry out the purposes of~~
2 ~~this chapter, and~~

3 ~~(iii) To set standards for the administration of programs of postsecondary student~~
4 ~~financial assistance assigned by law to the authority, including but not limited to savings~~
5 ~~programs. Administrative rules governing savings programs shall authorize the authority, in~~
6 ~~conjunction with the executive director of the Rhode Island student loan authority and the~~
7 ~~commissioner of higher education, to negotiate reciprocal agreements with institutions in other~~
8 ~~states offering similar savings programs for the purpose of maximizing educational benefits to~~
9 ~~residents, students and institutions in this state.~~

10 ~~(8) To establish penalties for violations of any order, rule, or regulation of the authority,~~
11 ~~and a method for enforcing these.~~

12 ~~(9) To set and collect fees and charges, in connection with its guaranties and servicing,~~
13 ~~including without limitation reimbursement of costs of financing by the authority, service~~
14 ~~charges, and insurance premiums and fees and costs associated with implementing and~~
15 ~~administering savings programs established pursuant to this chapter. Fees collected due to the~~
16 ~~Rhode Island work study program or due to unclaimed checks shall be deposited as general~~
17 ~~revenues of the state.~~

18 ~~(10) To enter into an agreement with any university to secure positions for Rhode Island~~
19 ~~applicants in a complete course of study in its school of veterinary medicine, medicine, dentistry,~~
20 ~~optometry, and three (3) positions in osteopathic medicine and to guarantee and pay the~~
21 ~~university for each position.~~

22 ~~(11) To enter into agreements with loan applicants providing preferential rates and terms~~
23 ~~relative to other applicants; provided, that the loan applicants agree to work in a licensed child~~
24 ~~care facility in Rhode Island for at least two (2) years upon completion or graduation in a course~~
25 ~~of study in early childhood education or child care.~~

26 ~~(12) To develop and administer, in conjunction with the executive director of the Rhode~~
27 ~~Island student loan authority and the commissioner of higher education, savings programs on~~
28 ~~behalf of itself, the state, students, parents, or any other private parties, all in cooperation with~~
29 ~~any other public and private parties and in accordance with any criteria or guidelines as the~~
30 ~~authority shall deem appropriate to effectuate the purposes of this chapter. To the extent~~
31 ~~practicable, these savings programs shall provide students, parents, and others an opportunity to~~
32 ~~participate conveniently and shall enable them to set aside relatively small amounts of money at a~~
33 ~~time and shall incorporate or be available in conjunction with, directly or indirectly, tuition~~
34 ~~agreements from as many eligible institutions as feasible.~~

1 ~~(13) In connection with any savings program, the authority may accept, hold, and invest~~
2 ~~funds of students, parents, institutions of higher education, and others and may establish special~~
3 ~~accounts for carrying out the purposes of this chapter.~~

4 ~~(14) To enter into contracts with institutions of higher education, financial institutions,~~
5 ~~financial consultants, attorneys, and other qualified entities on terms and conditions and for a~~
6 ~~term as it may deem advisable or desirable for the purpose of establishing and maintaining~~
7 ~~savings programs authorized pursuant to this chapter.~~

8 ~~(15) To create and supervise a marketing plan dedicated to the promotion of savings~~
9 ~~programs created pursuant to this chapter and to hire professional consultants and attorneys for~~
10 ~~these purposes.~~

11 ~~(16) To assist the general treasurer in the implementation of the college and university~~
12 ~~savings bond program established under chapter 15 of title 35.~~

13 ~~(b) The authority shall enter into agreements with the prospective students to the~~
14 ~~university for the repayment by the students of the money advanced under any terms and~~
15 ~~conditions as are reasonable. The authority may charge students interest on the money advanced~~
16 ~~under this chapter at a fixed or variable rate not exceeding the greater of seven and one half~~
17 ~~percent (7 1/2%) per annum or the maximum rate allowable under 42 U.S.C. § 292 et seq. and the~~
18 ~~regulations promulgated under that act by the United States office of education.~~

19 ~~**16-57-6.6. Exclusion from financial aid needs test.** --- Notwithstanding any other~~
20 ~~provision of this chapter or chapter 56 of this title, no moneys invested in the tuition savings~~
21 ~~program shall be considered to be an asset for purposes of determining an individual's eligibility~~
22 ~~for a need-based grant, need-based scholarship or need-based work opportunity offered by the~~
23 ~~state under the provisions of chapter 56 of this title.~~

24 ~~**16-57-11 Exemption from taxation.** (a) The exercise of the powers granted by this~~
25 ~~chapter will be in all respects for the benefit of the people of this state, the increase of their~~
26 ~~commerce, welfare, and prosperity and for the improvement of their living conditions and will~~
27 ~~constitute the performance of an essential governmental function and the authority shall not be~~
28 ~~required to pay any taxes or assessments upon or in respect of any transaction or of any property~~
29 ~~or money of the authority, levied by any municipality or political subdivision of the state.~~

30 ~~(b) The authority shall not be required to pay state taxes of any kind, and the authority,~~
31 ~~its property, and money shall at all times be free from taxation of every kind by the state and by~~
32 ~~the municipalities and all political subdivisions of the state. The authority shall not be required to~~
33 ~~pay any transfer tax of any kind on account of instruments recorded by it or on its behalf.~~

34 ~~**§ 16-57-13 Authorization to accept appropriated money.** The authority is authorized~~

1 ~~to accept any money as may be appropriated by the general assembly for effectuating its~~
2 ~~corporate purposes including, without limitation, the payment of the initial expenses of~~
3 ~~administration and operation and the establishment of reserves or contingency funds to be~~
4 ~~available for the payment of obligations of the authority and to reimburse the authority for sums~~
5 ~~forgiven pursuant to § 16-41-5.~~

6 ~~**16-57-14 Assistance by state officer, departments, boards, and commissions.** (a) All~~
7 ~~state agencies may render any services to the authority within their respective functions as may be~~
8 ~~requested by the authority.~~

9 ~~(b) Upon request of the authority, any state agency is authorized and empowered to~~
10 ~~transfer to the authority any officers and employees as it may deem necessary to assist the~~
11 ~~authority in carrying out its functions and duties under this chapter. Officers and employees~~
12 ~~transferred shall not lose their civil service status or rights.~~

13 ~~**16-57-15 Annual report.** The authority shall submit to the governor within four (4)~~
14 ~~months after the close of its fiscal year a report of its activities for the preceding fiscal year, and~~
15 ~~the report shall set forth a complete operating and financial statement covering the authority's~~
16 ~~operations during the preceding fiscal year. The authority shall include in its report the names and~~
17 ~~addresses of each recipient. The authority shall cause an audit of its books and accounts to be~~
18 ~~made at least once each fiscal year by certified public accountants selected by it and its cost shall~~
19 ~~be paid by the authority from funds available to it pursuant to this chapter.~~

20 ~~**16-57-17 Other statutes.** Nothing contained in this chapter shall restrict or limit the~~
21 ~~powers of the authority arising under any laws of this state except where those powers are~~
22 ~~expressly contrary to the provisions of this chapter. This chapter shall be construed to provide a~~
23 ~~complete additional and alternative method for doing the things authorized by it and shall be~~
24 ~~regarded as supplemental and in addition to the powers conferred by other laws. The making of~~
25 ~~any guaranty under the provisions of this chapter need not comply with the requirements of any~~
26 ~~other statute applicable to the making of guaranties. Except as provided in this chapter no~~
27 ~~proceedings or notice of approval shall be required for the making of any guaranty.~~

28 SECTION 6. Sections 16-57-1, 16-57-2, 16-57-3, 16-57-4, 16-57-6.1, 16-57-6.2, 16-57-
29 6.3, 16-57-6.5, 16-57-7, 16-57-8, 16-57-9, 16-57-10 and 16-57-12 of the General Laws in Chapter
30 16-57 entitled "Higher Education Assistance Authority" [See Title 16 Chapter 97 – The Rhode
31 Island Board of Education Act] are hereby amended to read as follows:

32 ~~**16-57-1 Short title.** -- This chapter shall be known as the "Rhode Island Higher~~
33 ~~Education Assistance Authority Act".~~

34 ~~**16-57-2 Findings.** -- The purpose of this chapter is to authorize a system of financial~~

1 assistance, consisting of loan guaranties, savings programs, and other aids, for qualified students,
2 parents, and others responsible for paying the costs of education to enable them to obtain an
3 education beyond the high school level by attending public or private educational institutions.
4 The general assembly has found and declares that it is in the public interest and essential to the
5 welfare and well being of the inhabitants of the state and to the proper growth and development
6 of the state to foster and provide financial assistance to qualified students, parents, and others
7 responsible for paying the costs of education in order to help prospective students to obtain an
8 education beyond the high school level. The general assembly has found that many inhabitants of
9 the state who are fully qualified to enroll in appropriate educational institutions for furthering
10 their education beyond the high school level lack the financial means and are unable, without
11 financial assistance as authorized under this chapter, to pay the cost of their education, with a
12 consequent irreparable loss to the state of valuable talents vital to its welfare. The general
13 assembly also recognizes that educational institutions for higher education are in need of
14 appropriate additional means to provide financial assistance to qualified students, parents, and
15 others responsible for paying the costs of education. The general assembly has determined that
16 the establishment of a proper system of financial assistance, containing eligibility opportunities
17 for students and residents of this state and other states serves a public purpose and is fully
18 consistent with the long established policy of the state to encourage, promote, and assist the
19 education of the people of the state. The general assembly further finds that higher education
20 financial assistance needs of Rhode Islanders will be better served by transferring all of the
21 functions and programs of the Rhode Island higher education assistance authority to the Rhode
22 Island division of higher education assistance and the office of the general treasurer.

23 **16-57-3 Definitions.** -- As used in this chapter, the following words and terms have the
24 following meanings unless the context indicates another or different meaning or intent:

25 (1) "Authority" means the governmental agency and public instrumentality previously
26 authorized, created, and established pursuant to § 16-57-4.

27 (2) "Commissioner of ~~higher~~ postsecondary education" means the commissioner
28 appointed by the ~~Rhode Island board of governors for higher education~~ council on postsecondary
29 education pursuant to § 16-59-6 or his or her designee.

30 (3) "Eligible borrower" means a student, or the parent of a student, who is either a resident
31 of the state or who, under rules promulgated by the ~~authority~~ office, is qualified to make an
32 eligible loan.

33 (4) "Eligible institution", subject to further particular or more restrictive definition by
34 regulation of the ~~authority~~ office, means:

- 1 (i) An institution of higher learning;
- 2 (ii) A vocational school; or
- 3 (iii) With respect to students who are nationals of the United States, an institution outside
- 4 the United States which is comparable to an institution of higher education or to a vocational
- 5 school and which has been approved by the ~~authority and by the~~ commissioner of postsecondary
- 6 education for purposes of the guaranteed student loan program.
- 7 (5) "Eligible loan" means a loan to a student or to the parent of a student insured or
- 8 guaranteed by the commissioner of postsecondary education, ~~by the authority~~, or by any other
- 9 governmental or private agency, corporation, or organization having a reinsurance or guaranty
- 10 agreement with the commissioner applicable to the student loan.
- 11 (6) "Guaranteed student loan program" means the program of federal student loan
- 12 insurance and reinsurance administered by the commissioner of postsecondary education.
- 13 (7) "Lender", subject to further particular or more restrictive definition by regulation of
- 14 the ~~authority~~ office, means any governmental or private agency, corporation, organization, or
- 15 institution designated as an "eligible lender" by federal statute, regulation, or administrative
- 16 ruling for the purposes of the guaranteed student loan program.
- 17 (8) "Participant" means an individual, corporation, trust or other "person" within the
- 18 meaning of § 529 of the Internal Revenue Code [26 U.S.C. § 529], who makes contributions to
- 19 the tuition savings program established pursuant to § 16-57-6.1 for purposes of paying qualified
- 20 higher education expenses on behalf of a beneficiary.
- 21 (9) "Participating institution" means an institution for higher education which agrees to
- 22 participate in a savings program or prepaid tuition program established pursuant to this chapter.
- 23 (10) "Prepaid tuition program" means a program administered by the ~~authority~~ division,
- 24 in conjunction with the executive director of the Rhode Island Student Loan Authority, and the
- 25 commissioner of postsecondary ~~higher~~ education, which provides a means for qualified students,
- 26 parents and others responsible for paying the costs of education to fix all or a portion of the direct
- 27 cost of attendance at participating institutions in one or more future years.
- 28 (11) "Program" means the tuition savings program established pursuant to § 16-57-6.1.
- 29 (12) "Qualified higher education expenses" means the costs of tuition, fees, books,
- 30 supplies and equipment required for enrollment or attendance at an institution of higher
- 31 education, and other education costs defined by federal law.
- 32 (13) "Secretary" means the United States secretary of education.
- 33 (14) "State" means the state of Rhode Island and Providence Plantations.
- 34 (15) "Student", as used with reference to the guaranteed student loan program and the

1 parent loan program, means an individual who, under rules promulgated by the ~~authority~~ division,
2 is enrolled or accepted for enrollment at an eligible institution and who is making suitable
3 progress in his or her education toward obtaining a degree or other appropriate certification in
4 accordance with standards acceptable to the authority.

5 (16) "Tuition savings program" or "Savings program" means a program approved and
6 administered by the ~~authority~~ General Treasurer, in conjunction with the executive director of the
7 Rhode Island Student Loan Authority, and the commissioner of postsecondary ~~higher~~-education,
8 designed to facilitate and encourage savings by or on behalf of students, future students and
9 parents for the purpose of paying the costs of attending institutions of higher education.

10 (17) "Council" means the council on postsecondary education established pursuant to §
11 16-59-1.

12 (18) "Division" means the Rhode Island division of higher education assistance, the
13 division authorized, created and established pursuant to § 16-57-4.

14 **16-57-4 Creation.** -- (a) There is authorized, created, and established within the office of
15 the commissioner of postsecondary education, a division of higher education assistance hereby
16 granted and authorized to use all of ~~public corporation of the state having a distinct legal~~
17 ~~existence from the state and not constituting a department of state government, which is a~~
18 ~~governmental agency and public instrumentality of the state, to be known as the "Rhode Island~~
19 ~~higher education assistance authority" with~~ the powers set forth in this chapter, for the purposes
20 of guaranteeing eligible loans to students in eligible institutions and to parents of those students
21 and of administering other programs of postsecondary student financial assistance assigned by
22 law to the ~~authority~~ division.

23 (b) The exercise by the ~~authority~~ division of the powers conferred by this chapter shall be
24 deemed and held to be the performance of an essential governmental function of the state for
25 public purposes. It is the intent of the general assembly by the passage of this chapter to vest in
26 the ~~authority~~ division office all powers, authority, rights, privileges, and titles which may be
27 necessary to enable it to accomplish the purposes set forth in this section and this chapter and the
28 powers granted by it shall be liberally construed in conformity with these purposes.

29 (c) The authority and its corporate existence shall be terminated on July 1, 2015 or upon
30 approval by the U.S. department of education, whichever is later, and ~~continue until terminated~~
31 ~~by law or until the authority shall cease entirely and continuously to conduct or be involved in~~
32 ~~any business in furtherance of its purposes; provided, that no termination shall take effect so long~~
33 ~~as the authority shall have guaranties or other obligations outstanding, unless adequate provision~~
34 ~~shall have been made for the payment of the obligations pursuant to the documents securing them~~

1 ~~or to this law. Upon termination of the existence of the authority,~~ all its rights and properties shall
2 pass to and be vested in the ~~state. At no time shall the assets or other property of the authority~~
3 ~~inure to the benefit of any person or other corporation or entity.~~ division of higher education
4 assistance, except as otherwise provided in § 16-57-6.1 and except for any real property held by
5 the authority, the legal title to which is hereby passed to and vested in (in trust for the state) the
6 council on postsecondary education. The division shall continue until terminated by law or until
7 the division shall cease entirely and continuously to conduct or be involved in any business in
8 furtherance of its purposes; provided, that no termination shall take effect so long as the division
9 shall have guaranties or other obligations outstanding, unless adequate provision shall have been
10 made for the payment of the obligations pursuant to the documents securing them or to this law.
11 Upon termination of the existence of the division, all its rights and properties shall pass to and be
12 vested in the state. At no time shall the assets or other property of the division inure to the benefit
13 of any person or other corporation or entity.

14 (d) Except as provided in § 16-57-6.1, effective July 1, 2015 or upon approval by the
15 U.S. department of education, whichever is later:

16 (i) All functions formerly administered by the Rhode Island higher education assistance
17 authority are hereby transferred to the Rhode Island division of higher education assistance;

18 (ii) The Rhode Island division of higher education assistance shall assume all rights,
19 duties, assets, liabilities and obligations of the former Rhode Island higher education assistance
20 authority and the Rhode Island division of higher education assistance shall be considered to be
21 the successor-in-interest to the Rhode Island higher education assistance authority; and

22 (iii) All contracts and agreements of whatsoever kind of the Rhode Island higher
23 education assistance authority are hereby assigned, transferred to and assumed by the Rhode
24 Island division of higher education assistance.

25 (e) Upon the completion of the transfer, the corporation known as the "Rhode Island
26 higher education assistance authority" shall cease to exist. Whenever in any general law or public
27 law reference is made to the "Rhode Island higher education assistance authority," the reference
28 shall be deemed to refer to and mean the "Rhode Island division of higher education assistance,"
29 which also may be referred to as the "division."

30 **16-57-6.1 Tuition savings program.** -- (a) The ~~authority~~ general treasurer shall, in
31 conjunction with the division, the state investment commission, executive director of the Rhode
32 Island student loan authority and the commissioner of ~~higher~~ postsecondary education, shall
33 establish in any form as ~~it~~ he or she deems appropriate, a tuition savings program to allow persons
34 to save money for the sole purpose of meeting qualified higher education expenses.

1 (b) All money received in connection with the tuition savings program shall be
2 segregated from all other funds ~~of the authority~~ into two (2) funds, a program fund and an
3 administrative fund. No more than two percent (2%) of money in the program fund may be
4 transferred annually to the administrative fund for the purpose of paying operating costs of
5 administering the tuition savings program. Money accrued by participants in the program fund
6 may be used for payments to an eligible institution. All proceeds from the tuition savings program
7 shall be directed to the administrative fund, and to the extent they exceed the operating costs of
8 administering the tuition savings program, said excess shall be used for financial aid related
9 activities in Rhode Island pursuant to § 16-56-6.

10 (c) The state investment commission shall invest money within the program fund in any
11 investments which are authorized by the general laws, including equities and fixed income
12 securities. The composition of investments shall be determined by the state investment
13 commission, ~~subject to the approval of the authority. The state investment commission shall~~
14 ~~consider the recommendations of the commissioner of higher education and the executive director~~
15 ~~of the Rhode Island Student Loan Authority with respect to the appropriate composition of~~
16 ~~investments within the program fund.~~

17 (d) A participant may at any time withdraw funds from the participant's account in the
18 tuition savings program in an amount up to the value of the account at the time the withdrawal is
19 implemented, less such administrative fee as may be levied by the ~~authority~~ treasurer in
20 connection with the withdrawal.

21 (e) Notwithstanding any of the foregoing provisions, no administrative fee may be levied
22 by the ~~authority~~ treasurer in the event that a participant requests withdrawal of funds from the
23 participant's account in the tuition savings program on account of, and within the meanings of §
24 529 of the Internal Revenue Code [26 U.S.C. § 529]:

- 25 (1) The death of the beneficiary of the account;
- 26 (2) The disability of the beneficiary; or
- 27 (3) A scholarship, allowance, or payment received by the beneficiary to the extent that
28 the amount of the refund does not exceed the amount of the scholarship, allowance, or payment.

29 (f) In the event that a participant requests a withdrawal from an account in the tuition
30 savings program other than (1) a withdrawal used for qualified higher education expenses of the
31 beneficiary of the account, or (2) for a reason referred to in subdivision (e)(1), (e)(2), or (e)(3) of
32 this section, the ~~authority~~ treasurer shall impose a more than de minimus penalty on the earnings
33 portion of the withdrawal in accordance with § 529 of the Internal Revenue Code [26 U.S.C. §
34 529]; provided that no penalty shall be imposed with respect to any such withdrawal, or any other

1 withdrawal, from any account in the tuition savings plan to which the tax made applicable by §
2 529 of the Internal Revenue Code [26 U.S.C. § 529] is effective.

3 ~~(g) Resources of the authority and the Rhode Island student loan authority shall be~~
4 ~~employed to effect implementation of the tuition savings program.~~

5 **16-57-6.2 Ownership of assets -- Transfer of ownership rights.** -- (a) The participant
6 retains ownership of all assets properly allocated to an account maintained for the participant in
7 the tuition savings program up to the date of withdrawal or distribution of these from the
8 program.

9 (b) All assets of the tuition savings program shall be considered to be held in trust. As
10 required by the Internal Revenue Code, no interest in the tuition savings program or any portion
11 of these may be used as security for a loan.

12 ~~(e) Any amounts paid to the administrative fund of the tuition savings program are owned~~
13 ~~by the authority. These amounts may include, but are not limited to, appropriated state funds.~~

14 ~~(d)~~(c) A participant may transfer ownership rights in the tuition savings program to
15 another participant or designate a new beneficiary insofar as permitted by § 529 of the Internal
16 Revenue Code [26 U.S.C. § 529] under such conditions as the **authority** treasurer deems
17 appropriate.

18 **16-57-6.3 Tax exempt earnings.** -- (a) For state income tax purposes, annual earnings of
19 the tuition savings program and the prepaid tuition program shall be exempt from tax to the
20 program, and shall not be includible in the Rhode Island income of either beneficiaries or
21 participants in the program until withdrawn or distributed from it, and then in accordance with
22 chapter 30 of title 44.

23 (b) The tax administrator, ~~in consultation with the authority,~~ may adopt rules and
24 regulations necessary to monitor, implement, and administer the Rhode Island personal income
25 tax provisions referred to in subsection (a) relating to this chapter. These regulations shall provide
26 for each taxable year for the timely submission to the tax administrator by the program manager
27 of the tuition savings program of this information in the form the tax administrator shall prescribe
28 concerning contributions to, and withdrawals including transfers and rollovers from, the tuition
29 savings program during that year.

30 **16-57-6.5 Annual audited financial report to the governor and general assembly.** --

31 (a) The **authority** treasurer, shall submit to the governor, the speaker of the house of
32 representatives, the president of the senate, and the secretary of state an annual audited financial
33 report, prepared in accordance with generally accepted accounting principles, on the operations of
34 the tuition savings program by November 1 of each year. The annual audit shall be made either

1 by the auditor general or by an independent certified public accountant approved by the auditor
2 general and shall include direct and indirect costs attributable to the use of outside consultants,
3 independent contractors, and any other persons who are not state employees.

4 (b) The annual audited financial report shall be supplemented by the following
5 information, to be submitted by April 1 of each year, on the operations of the program for the
6 previous calendar year:

7 ~~(1) A summary of meetings or hearings held, meeting minutes, subjects addressed,~~
8 ~~decisions rendered, rules or regulations promulgated, studies conducted, policies and plans~~
9 ~~developed, approved, or modified, and programs administered or initiated; and a summary of any~~
10 ~~clerical, administrative or technical support received; a summary of performance during the~~
11 ~~previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of~~
12 ~~hearings, complaints, suspensions or other legal matters related to the authority of the board; a~~
13 ~~summary of any training courses held pursuant to subsection 16-57-7(a)(2); a briefing on~~
14 ~~anticipated activities in the upcoming fiscal year; and findings and recommendations for~~
15 ~~improvements;~~

16 ~~(2)~~(1) A summary of the benefits provided by the tuition savings program including the
17 number of participants and beneficiaries;

18 ~~(3)~~(2) Any other information which is relevant in order to make a full, fair and effective
19 disclosure of the assets and operations of the program; and

20 ~~(4)~~(3) The foregoing supplemental information shall be posted electronically on the
21 general assembly's and the secretary of state's websites as prescribed in § 42-20-8.2 of the Rhode
22 Island general laws. The treasurer ~~director of the department of administration~~ shall be
23 responsible for the enforcement of this provision.

24 **16-57-7 Directors, officers, and employees Council on Postsecondary Education.--**

25 ~~(a)(1) The powers of the authority shall be vested in a board of directors consisting of nine (9)~~
26 ~~members, five (5) of whom shall be appointed by the governor from among members of the~~
27 ~~general public, who are qualified by training or experience in education finance or personal~~
28 ~~investment consulting and made in accordance with subsection (b) of this section; three (3) of~~
29 ~~whom shall be appointed by the governor, who shall give due consideration to the~~
30 ~~recommendations made by the chairperson of the board of governors for higher education and by~~
31 ~~the Rhode Island Independent Higher Education Association for those appointments; and the state~~
32 ~~general treasurer ex officio or his or her designee who shall be a subordinate from within the~~
33 ~~office of the general treasurer. All gubernatorial appointments made to this board shall be subject~~
34 ~~to the advice and consent of the senate. All board members first appointed to the board after the~~

1 ~~effective date of this act shall be residents of this state. Designees of members serving ex officio~~
2 ~~shall represent him or her at all meetings of the board. Except for the chairpersons of the house~~
3 ~~and senate finance committees or their designees who shall cease to be members of the authority~~
4 ~~upon the effective date of this act, each member shall serve until his or her successor is appointed~~
5 ~~and qualified. The original members appointed by the governor shall be appointed in a manner as~~
6 ~~to provide for the expiration of the term of one member on the first day of July of each year. The~~
7 ~~council on postsecondary education established pursuant to § 16-59-1 shall retain all authority~~
8 ~~formerly vested in the higher education assistance authority board of directors, except as provided~~
9 ~~by § 16-57-6.1. Whenever in any general or public law reference is made to the "board of~~
10 ~~directors of the higher education assistance authority," the reference shall be deemed to refer to~~
11 ~~and mean the "council on postsecondary education." The council on postsecondary education~~
12 ~~shall be the employer of record for the division of higher education assistance.~~

13 ~~(2) Newly appointed and qualified public members and designees of ex officio members~~
14 ~~shall, within six (6) months of their qualification or designation, attend a training course that shall~~
15 ~~be developed with board approval and conducted by the chair of the board and shall include~~
16 ~~instruction in the following areas: the provisions of chapters 16-57, 42-46, 36-14 and 38-2; and~~
17 ~~the board's rules and regulations. The director of the department of administration shall, within~~
18 ~~ninety (90) days of the effective date of this act, prepare and disseminate training materials~~
19 ~~relating to the provisions of chapters 42-46, 36-14 and 38-2.~~

20 ~~(3) Public members of the board shall be removable by the appointing authority for cause~~
21 ~~only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the~~
22 ~~office shall be unlawful.~~

23 ~~(b) During the month of June of each year, the governor shall appoint a member to~~
24 ~~succeed the member whose term will then next expire to serve for a term of five (5) years~~
25 ~~commencing on the first day of July then next following, and after this, until a successor is~~
26 ~~appointed and qualified. As soon as practicable after the effective date of this act, the governor~~
27 ~~shall appoint a member to serve an initial term to expire on July 1, 2010. Thereafter, all members~~
28 ~~appointed by the general treasurer shall be appointed to terms of five (5) years, and the governor~~
29 ~~shall, during the month of June preceding the expiration of each term, appoint a member whose~~
30 ~~term will then next expire. In the event of a vacancy occurring in the office of a member by death,~~
31 ~~resignation, removal, or otherwise, the vacancy shall be filled in the same manner as an original~~
32 ~~appointment but only for the remainder of the term of the former member.~~

33 ~~(c) The directors shall receive no compensation for the performance of their duties under~~
34 ~~this chapter, but each director shall be reimbursed for his or her reasonable expenses incurred in~~

1 ~~carrying out the duties. A director may engage in private employment or in a profession or~~
2 ~~business.~~

3 ~~(d) Upon appointment and qualification of the original board of directors, and during the~~
4 ~~month of July of each year after this, the board of directors shall elect one of its members to serve~~
5 ~~as chairperson. The board may elect from among its members such other officers as they deem~~
6 ~~necessary. Five (5) directors shall constitute a quorum and any action to be taken by the authority~~
7 ~~under the provisions of this chapter may be authorized by resolution approved by a majority of~~
8 ~~the directors present and voting at any regular or special meeting at which a quorum is present. A~~
9 ~~vacancy in the membership of the board of directors shall not impair the right of a quorum to~~
10 ~~exercise all the rights and perform all the duties of the authority.~~

11 ~~(e)(1) In addition to electing a chairperson, the board of directors shall appoint a secretary~~
12 ~~and any additional officers and staff members as they shall deem appropriate. The board of~~
13 ~~directors shall appoint an executive director who shall be in the unclassified service and vest in~~
14 ~~that person or his or her subordinates the authorization to appoint additional staff members who~~
15 ~~shall be in the classified service and to determine the amount of compensation each individual~~
16 ~~shall receive. Those persons who were regularly established full time employees of the authority,~~
17 ~~prior to March 27, 1979, and who are required to be in the classified service may be placed in~~
18 ~~appropriate classifications within the classified service without the requirement of competitive~~
19 ~~examination (as approved by the executive director). All employees hired after March 27, 1979,~~
20 ~~will be hired in accordance with the requirements of the classified service for examination,~~
21 ~~approved state lists, and other procedures of the state division of personnel. Those persons who~~
22 ~~were regularly established full time employees of the authority, prior to March 27, 1979, shall~~
23 ~~have the right to purchase retirement credits for the period commencing November 1, 1977, to~~
24 ~~March 27, 1979, at the its full actuarial cost.~~

25 ~~(2) Any employee in either the classified or unclassified service who was, prior to his or~~
26 ~~her hiring by the authority, a participant in the retirement program adopted for personnel at any~~
27 ~~state or private college shall have the option to either remain with that retirement program while~~
28 ~~an employee of the authority or become a participant in the employees' retirement system of the~~
29 ~~state.~~

30 ~~(f)(b)~~ No full time employee shall during the period of his or her employment by the
31 ~~authority~~ division engage in any other private employment, profession, or business, except with
32 the approval of the ~~board of directors~~ commissioner of postsecondary education; provided, that
33 the executive director shall not engage in any other private employment, profession, or business,
34 including, but not limited to consulting.

1 ~~(g) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict~~
2 ~~of interest for a director, officer, or employee of any financial institution, investment banking~~
3 ~~firm, brokerage firm, commercial bank, trust company, savings and loan association, credit union,~~
4 ~~insurance company, educational institution, or any other firm, person, or corporation to serve as a~~
5 ~~director of the authority, nor shall any contract or transaction between the authority and any~~
6 ~~financial institution, investment banking firm, brokerage firm, commercial bank, trust company,~~
7 ~~savings and loan association, credit union, insurance company, educational institution, or any~~
8 ~~other firm, person, or corporation be void or voidable by reason of any service as director of the~~
9 ~~authority. If any director, officer, or employee of the authority shall be interested either directly or~~
10 ~~indirectly, or shall be a director, officer, or employee of or have an ownership interest (other than~~
11 ~~as the owner of less than one percent (1%) of the shares of a publicly held corporation) in any~~
12 ~~firm or corporation interested directly or indirectly in any contract with the authority, the interest~~
13 ~~shall be disclosed to the authority and set forth in the minutes of the authority, and the director,~~
14 ~~officer, or employee having interest in this shall not participate on behalf of the authority in the~~
15 ~~authorization of any contract. Interested directors may be counted in determining the presence of~~
16 ~~a quorum at a meeting of the board of directors of the authority which authorizes the contract or~~
17 ~~transaction.~~

18 ~~(h) Any action taken by the authority under the provisions of this chapter may be~~
19 ~~authorized by vote at any regular or special meeting, and each vote shall take effect immediately.~~

20 ~~(i) The board of directors may designate from among its members an executive~~
21 ~~committee and one or more other committees each of which, to the extent authorized by the board~~
22 ~~of directors, shall have and may exercise all the authority of the board of directors, but no~~
23 ~~committee shall have the authority of the board of directors in reference to the disposition of all~~
24 ~~or substantially all the property and assets of the authority or amending the bylaws of the~~
25 ~~authority.~~

26 **16-57-8 Designated agency.** -- The ~~authority~~ division established within the office of the
27 postsecondary commissioner is designated the state agency ~~or corporation~~ to apply for, receive,
28 accept, and disburse federal funds, and funds from other public and private sources, made
29 available to the state for use as reserves to guarantee student loans or as administrative money to
30 operate student loan programs, and is designated to administer any statewide programs of student
31 assistance that shall be ~~established under~~ established under federal law.

32 **16-57-9 Loans to minors -- Loan obligations.** -- (a) Any person qualifying for an
33 eligible loan shall not be disqualified to receive a loan guaranteed by the ~~authority~~ division by
34 reason of his or her being a minor. For the purpose of applying for, securing, receiving, and

1 repaying a loan, any person shall be deemed to have full legal capacity to act and shall have all
2 the rights, powers, privileges, and obligations of a person of full age with respect to a loan.

3 (b) No loan obligation incurred by any individual under the provisions of this chapter
4 may be expunged, reduced, or discharged in any proceeding, including any proceeding in federal
5 bankruptcy court. Any individual receiving a loan under the provisions of this chapter shall be
6 required to sign an affidavit acknowledging the loan and agreeing to this condition.

7 **16-57-10 Reserve funds.** -- (a) To assure the continued operation and solvency of the
8 ~~authority~~ guaranteed student loan program ~~for the carrying out of its corporate purposes~~, the
9 ~~authority~~ office of the postsecondary commissioner shall ~~may~~ create and establish ~~any~~ reserve
10 funds ~~as may be necessary or desirable for its corporate purposes~~, and may pay into the funds any
11 money appropriated and made available by the state, ~~the commissioner~~, or any other source for
12 the purpose of the funds, and any money collected by the ~~authority~~ division as fees for the
13 guaranty of eligible loans.

14 (b) ~~To assure continued solvency of the authority's, the authority operating fund shall be~~
15 ~~used solely for the ordinary operating expenses of the authority.~~ Furthermore, it is the intent of
16 the general assembly that these funds eventually be used to increase financial assistance to Rhode
17 Island students in the form of scholarships and grants as approved by the commissioner of
18 postsecondary education and as directed by the U.S. Department of Education, and in accordance
19 with federal statutes and regulations governing the use of funds in the guaranty agency's
20 operating fund pursuant to the provisions and restrictions of the 1998 reauthorization of the
21 federal higher education act.

22 (c) ~~Given the decline of available sources to support the agency, the Governor's FY 2016~~
23 ~~budget recommendations shall include a proposal for the transfer of higher education assistance~~
24 ~~authority's programs to appropriate agencies within state government. All departments and~~
25 ~~agencies of the state shall furnish such advice and information, documentary or otherwise to the~~
26 ~~director of the department of administration and its agents as is deemed necessary or desirable to~~
27 ~~facilitate the recommendation.~~

28 **16-57-12 Credit of state.** -- Guaranties made under the provisions of this chapter shall
29 not constitute debts, liabilities, or obligations of the state or of any political subdivision of the
30 state other than the division of higher education assistance ~~authority~~ or a pledge of the faith and
31 credit of the state or any political subdivision other than the division of higher education
32 assistance ~~authority~~, but shall be payable solely from the revenues or assets of ~~the authority~~
33 reserve funds set forth in § 16-57-10.

34 SECTION 7. Sections 16-59-1, 16-59-4, and 16-59-6 of the General Laws in Chapter 16-

1 59 entitled "Board of Governors for Higher Education" [See Title 16 Chapter 97 – The Rhode
2 Island Board of Education Act] are hereby amended to read as follows:

3 **16-59-1 Council on Postsecondary Education established.** -- (a) There is created a
4 council on postsecondary education, sometimes referred to as the "council", which shall be and is
5 constituted a public corporation, empowered to sue and be sued in its own name, and to exercise
6 all the powers, in addition to those specifically enumerated in this chapter, usually appertaining to
7 public corporations entrusted with control of postsecondary educational institutions and
8 functions. Upon its organization the council shall be invested with the legal title (in trust for the
9 state) to all property, real and personal, now owned by and/or under the control or in custody of
10 the board of regents for education for the use of the University of Rhode Island, Rhode Island
11 College, Community College of Rhode Island and the system of community colleges of Rhode
12 Island including all departments, divisions, and branches of these.

13 (b) The council is empowered to hold and operate the property in trust for the state; to
14 acquire, hold, and dispose of the property and other like property as deemed necessary for the
15 execution of its corporate purposes. The council is made successor to all powers, rights, duties,
16 and privileges formerly belonging to the board of regents for education pertaining to
17 postsecondary education and the board of governors for higher education.

18 (c) The council shall be the employer of record for higher education and the office of
19 postsecondary education. It shall retain all authority formerly vested in the board of education
20 regarding the employment of faculty and staff at the public higher education institutions.

21 (d) The council shall be the governing body for the Rhode Island division of higher
22 education assistance and shall retain all authority formerly vested in the higher education
23 assistance authority board of directors pursuant to § 16-57-7; however, any debts, liabilities, or
24 obligations of the council that result from its status as such governing body shall be payable
25 solely from the revenues or assets of reserve funds set forth and established by the prior Rhode
26 Island higher education assistance authority and/or the Rhode Island division of higher education
27 assistance created pursuant to Chapter 57 of this title, and not from any assets or property held by
28 the council on public higher education pursuant to this chapter.

29 (e) The council on postsecondary education shall be the employer of record for the
30 division of higher education assistance.

31 **16-59-4 Powers and duties of the council on postsecondary education.** – (a) The
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 strategic plan implementing broad goals and objectives for
6 higher education in the state as established by the board of education, including a comprehensive
7 capital development program.

8 (3) To formulate broad policy to implement the goals and objectives established and
9 adopted by the board of education, to adopt standards and require enforcement and to exercise
10 general supervision over all higher public education in the state and over independent higher
11 education in the state as provided in subdivision (8) and (9) of this section. The board of
12 education and the council shall not engage in the operation or administration of any subordinate
13 committee, university, junior college, or community college, except its own office of
14 postsecondary education and except as specifically authorized by an act of the general assembly;
15 provided, the presidents of each institution of higher learning shall be the chief administrative and
16 executive officers of that institution; and provided that nothing contained in this section shall
17 prohibit their direct access to or interfere with the relationship between the presidents and the
18 board of education and the council.

19 (4) To communicate with and seek the advice of the commissioner of postsecondary
20 education, the presidents of the public higher education institutions and all those concerned with
21 and affected by its determinations as a regular procedure in arriving at its conclusions and in
22 setting its policy.

23 (5) To prepare and maintain a five (5) year funding plan for higher education that
24 implements the strategic financing recommendations of the board of education; to prepare with
25 the assistance of the commissioner of postsecondary education and to present annually to the state
26 budget officer in accordance with § 35-3-4 a state higher education budget, which shall include,
27 but not be limited to, the budget of the office of postsecondary education and the budget of the
28 state colleges. In the preparation of the budget, the council shall implement priorities established
29 by the board of education of expenditures for public higher education purposes of state revenues
30 and other public resources made available for the support of higher public education. Prior to
31 submitting the budget to the state budget officer as required by the budget office instructions and
32 this subsection, the council shall present the budget to the board of education for its review and
33 approval. Nothing contained in this subdivision shall authorize the council to alter the allocation
34 of grants or aid otherwise provided by law.

1 (6) To maintain an office of postsecondary commissioner; to provide for its staffing and
2 organization; and to manage and oversee a commissioner of postsecondary education pursuant to
3 duties and responsibilities defined in § 16-59-6 and § 16-59-7. The commissioner of
4 postsecondary education and the office of postsecondary commissioner shall have the duties and
5 responsibilities as defined in §§ 16-59-6 and 16-59-7.

6 (7) To appoint and dismiss presidents of the public institutions of higher learning with the
7 assistance of the commissioner of postsecondary education, and to establish procedures for this,
8 and with the assistance of the commissioner to approve or disapprove vice presidents of the
9 public institutions of higher learning appointed by the respective presidents of the public
10 institutions of higher learning.

11 (8) To establish other educational agencies or subcommittees necessary or desirable for
12 the conduct of any or all aspects of higher education and to determine all powers, functions, and
13 composition of any agencies or subcommittees and to dissolve them when their purpose shall
14 have been fulfilled.

15 (9) To exercise the authority vested in the board of regents for education with relation to
16 independent higher educational institutions within the state under the terms of chapter 40 of this
17 title, and other laws affecting independent higher education in the state.

18 (10) To enforce the provisions of all laws relating to higher education, public and
19 independent.

20 (11) To be responsible for all the functions, powers, and duties which were vested in the
21 board of regents for education relating to higher education, including but not limited to the
22 following specific functions:

23 (i) To approve the role and scope of programs at public institutions of higher learning
24 with the assistance of the commissioner of postsecondary education which shall include but not
25 be limited to populations to be served, the type and level of programs and academic fields
26 offered.

27 (ii) To adopt and require standard accounting procedures for the office of postsecondary
28 commissioner and all public colleges and universities.

29 (iii) To approve a clear and definitive mission for each public institution of higher
30 learning with the assistance of the commissioner of postsecondary education that is consistent
31 with the role and scope of programs at the public institutions.

32 (iv) To promote maximum efficiency, economy, and cooperation in the delivery of public
33 higher educational services in the state and cooperation with independent institutions of higher
34 education.

1 (12) To incorporate into its own affirmative action reporting process periodic reports
2 monitoring specific faculty and staff searches by the chairperson of the search committee to
3 include the rationale for granting those interviews and the final hiring results. The institutions
4 must empower their affirmative action officer to monitor searches in this manner, to intervene
5 during the search, and, when necessary, to cause a search to cease if affirmative action goals are
6 not being adequately served.

7 (13) To incorporate a specific category for accountability on affirmative action goals and
8 implementation as part of the board's annual evaluations and three (3) year reviews for the
9 presidents of each of the public institutions of higher education.

10 (14) To make a formal request of the governor that whenever an opportunity arises to
11 make new appointments to the board, that the governor make every effort to increase the number
12 of African Americans, Native Americans, Asians, and Hispanics on the board.

13 (15) To develop coherent plans for the elimination of unnecessary duplication in public
14 higher education and addressing the future needs of public education within the state in the most
15 efficient and economical manner possible.

16 (16) To delegate to the presidents of each public higher education institution the authority
17 and responsibility for operational and management decisions related to their institutions,
18 consistent with the goals of the statewide strategic plan for postsecondary education provided
19 however that the presidents may be required to provide information or updates to the council
20 regarding any delegated operational or management decisions.

21 (17) To serve as the governing body of the division of higher education assistance and
22 exercise all powers and duties of the division of higher education assistance as set forth under the
23 terms of Chapter 57 of this title; however, any debts, liabilities, or obligations of the council that
24 result from its status as such governing body shall be payable solely from the revenues or assets
25 of reserve funds set forth and established by the prior Rhode Island higher education assistance
26 authority and/or the Rhode Island division of higher education assistance created pursuant to
27 Chapter 57 of this title, and not from any assets or property held by the council on postsecondary
28 education pursuant to this chapter.

29 (18) To guarantee one hundred percent (100%) of the unpaid principal and accrued
30 interest of any eligible loan made by a lender to any eligible borrower in existence prior to July 1,
31 2015 for the purpose of assisting the students in obtaining an education in an eligible institution,
32 subject, however, to the limitation regarding any debts, liabilities, or obligations of the council set
33 forth in section (17) above, and in § 16-57-12.

34 (19) To prescribe rules and regulations deemed necessary or desirable to carry out the

1 purposes of serving as a guaranty agency for the loans set forth in § 16-59-4 (18), including
2 without limitation rules and regulations:

3 (i) To ensure compliance by the division with the requirements imposed by statutes or
4 regulation governing the guaranty, insurance, purchase, or other dealing in eligible loans by
5 federal agencies, instrumentalities, or corporations,

6 (ii) To set standards of eligibility for educational institutions, students, and lenders and to
7 define residency and all other terms as the division deems necessary to carry out the purposes of
8 this chapter, and

9 (iii) To set standards for the administration of programs of postsecondary student
10 financial assistance assigned by law to the division, including but not limited to savings
11 programs. Administrative rules governing savings programs shall authorize the division, in
12 conjunction with commissioner of postsecondary education, to negotiate reciprocal agreements
13 with institutions in other states offering similar savings programs for the purpose of maximizing
14 educational benefits to students in this state.

15 (20) To establish penalties for violations of any order, rule, or regulation of the division,
16 and a method for enforcing these.

17 (21) To set and collect fees and charges, in connection with its guaranties and servicing,
18 including without limitation reimbursement of costs of financing by the division, service charges,
19 and insurance premiums and fees and costs associated with implementing and administering
20 savings programs established pursuant to this chapter.

21 (22) To hold and operate property previously held by the higher education assistance
22 authority in trust for the state, and to acquire, hold, and dispose of the property and other like
23 property as deemed necessary for the execution of its corporate purposes.

24 **16-59-6 Commissioner of postsecondary education. --** The council on postsecondary
25 education, with approval of the board, shall appoint a commissioner of postsecondary education,
26 who shall serve at the pleasure of the council, provided that his or her initial engagement by the
27 council shall be for a period of not more than three (3) years. For the purpose of appointing,
28 retaining, or dismissing a commissioner of postsecondary education, the governor shall serve as
29 an additional voting member of the council. The position of commissioner shall be in the
30 unclassified service of the state and he or she shall serve as the chief executive officer of the
31 council on postsecondary education, ~~and as~~ the chief administrative officer of the office of
32 postsecondary commissioner, and the executive director of the division of higher education
33 assistance. The commissioner of postsecondary education shall have any duties that are defined in
34 this section and in this title and other additional duties as may be determined by the council, and

1 shall perform any other duties as may be vested in him or her by law. In addition to these duties
2 and general supervision of the office of postsecondary commissioner and the appointment of the
3 several officers and employees of the office, it shall be the duty of the commissioner of
4 postsecondary education:

5 (1) To develop and implement a systematic program of information gathering,
6 processing, and analysis addressed to every aspect of higher education in the state, especially as
7 that information relates to current and future educational needs.

8 (2) To prepare a strategic plan for higher education in the state aligned with the goals of
9 the board of education's strategic plan; to coordinate the goals and objectives of the higher public
10 education sector with the goals of the council on elementary and secondary education, and
11 activities of the independent higher education sector where feasible.

12 (3) To communicate with and seek the advice of those concerned with and affected by the
13 board of education's and council's determinations.

14 (4) To implement broad policy as it pertains to the goals and objectives established by the
15 board of education and council on postsecondary education; to promote better coordination
16 between higher public education in the state, independent higher education in the state as
17 provided in subdivision (10) of this section and pre k-12 education; to assist in the preparation of
18 the budget for public higher education and to be responsible upon direction of the council for the
19 allocation of appropriations, the acquisition, holding, disposition of property.

20 (5) To be responsible for the coordination of the various higher educational functions of
21 the state so that maximum efficiency and economy can be achieved.

22 (6) To assist the board of education in preparation and maintenance of a five (5) year
23 strategic funding plan for higher education; to assist the council in the preparation and
24 presentation annually to the state budget officer in accordance with § 35-3-4 of a total public
25 higher educational budget.

26 (7) To recommend to the council on postsecondary education after consultation with the
27 presidents, a clear and definitive mission for each public institution of higher learning.

28 (8) To annually recommend to the council on postsecondary education after consultation
29 with the presidents, the creation, abolition, retention, or consolidation of departments, divisions,
30 programs, and courses of study within the public colleges and universities to eliminate
31 unnecessary duplication in public higher education, to address the future needs of public higher
32 education in the state, and to advance proposals recommended by the presidents of the public
33 colleges and universities pursuant to §§ 16-32-2.1, 16-33-2.1 and 16-33.1-2.1 of the general laws.

34 (9) To supervise the operations of the office of postsecondary commissioner, [including](#)

1 [the division of higher education assistance](#), and any other additional duties and responsibilities
2 that may be assigned by the council.

3 (10) To perform the duties vested in the council with relation to independent higher
4 educational institutions within the state under the terms of chapter 40 of this title and any other
5 laws that affect independent higher education in the state.

6 (11) To be responsible for the administration of policies, rules, and regulations of the
7 council on postsecondary education with relation to the entire field of higher education within the
8 state, not specifically granted to any other department, board, or agency and not incompatible
9 with law.

10 (12) To prepare standard accounting procedures for public higher education and all public
11 colleges and universities.

12 (13) To carry out the policies and directives of the board of education and the council on
13 postsecondary education through the office of postsecondary commissioner and through
14 utilization of the resources of the public institutions of higher learning.

15 [\(14\) To exercise all powers and duties of the division of higher education assistance as](#)
16 [set forth under the terms of chapter 57 of this title.](#)

17 SECTION 8. Section 16-62-3 of the General Laws in Chapter 16-62 entitled "The Rhode
18 Island Student Loan Authority" is hereby amended to read as follows:

19 **16-62-3 Definitions.** -- As used in this chapter, the following words and terms shall have
20 the following meanings unless the context shall indicate another or different meaning or intent:

21 (1) "Authority" means the governmental agency and public instrumentality authorized,
22 created, and established pursuant to § 16-62-4.

23 (2) "Bonds" and "notes" means the bonds, notes, securities, or other obligations or
24 evidences of indebtedness issued by the authority pursuant to this chapter, all of which shall be
25 issued under the name of or known as obligations of the Rhode Island student loan authority.

26 (3) "Education loan" means a loan to a student or the parent, legal guardian, or sponsor of
27 the student, or to an eligible institution, for the purpose of financing a student's attendance at the
28 eligible institution. The loan may provide that the student, parent, legal guardian, or sponsor of
29 the student or eligible institution may be held jointly and severally liable for the education loan.

30 (4) "Eligible institution" means, subject to further particular or more restrictive definition
31 by regulation of the authority: (i) an institution of higher learning, (ii) a vocational school, or (iii)
32 with respect to students who are nationals of the United States, an institution outside the United
33 States which is comparable to an institution of higher education or to a vocational school and
34 which has been approved by the authority and by the secretary for purposes of the guaranteed

1 student loan program.

2 (5) "Eligible loan" means a loan to a student or to the parent of a student insured or
3 guaranteed by the secretary, Rhode Island [division of](#) higher education assistance ~~authority~~, or by
4 any other governmental or private agency, corporation, or organization having a reinsurance or
5 guaranty agreement with the secretary applicable to that loan.

6 (6) "Guaranteed student loan program" means the program of federal student loan
7 insurance and reinsurance administered by the secretary.

8 (7) "Lender" means, subject to further particular or more restrictive definition by
9 regulation of the authority, any governmental or private agency, corporation, organization, or
10 institution (including educational institutions and the authority itself) designated as an "eligible
11 lender" by federal statute, regulation, or administrative ruling for the purposes of the guaranteed
12 student loan program.

13 (8) "Secretary" means the United States secretary of education or the secretary of health
14 and human services.

15 (9) "State" means the state of Rhode Island and Providence Plantations.

16 (10) "Student" means an individual who under rules promulgated by the authority meets
17 the enrollment and satisfactory progress requirement necessary for making an eligible student
18 loan or an education loan, as applicable. This designation shall include dependent and
19 independent undergraduate students, and graduate and professional students. 25-2-18.1

20 SECTION 9. Section 16-63-7 of the General Laws in Chapter 16-63 entitled "Adult
21 Education" [See Title 16 Chapter 97 – The Rhode Island Board of Education Act] is hereby
22 amended to read as follows:

23 **16-63-7 Functions of office. --** The functions of the office may include, but may not
24 necessarily be limited to, the following:

25 (1) The development of recommendations to the commissioner and the implementation of
26 any approved recommendations, including:

27 (i) The utilization of federal and state funds for any purpose prescribed or allowed by the
28 laws and/or regulations authorizing and/or appropriating those funds;

29 (ii) The sub-granting of those federal and state funds to selected deliverers of programs
30 and services, including those contemplated in subdivisions (2) and (3);

31 (iii) The operation and networking of statewide adult level guidance services;

32 (iv) The operation of a high school equivalency or general educational development,
33 testing, and certification program;

34 (v) Administration of the provisions for the approval and regulation of private career,

1 trade, and technical schools, pursuant to chapter 40 of this title, and of any other nonpublic
2 entities, whether non-business or proprietary, which provide or purport to provide adult education
3 programs and services to residents of the state;

4 (vi) Professional development of administrators, teachers, counselors, paraprofessionals,
5 and other personnel employed or engaged in delivering adult education programs and services
6 within the state; and

7 (vii) Continuous research and planning in adult education, including assistance to the
8 commission in conducting the comprehensive study of adult education prescribed in § 16-58-6,
9 needs assessments in conjunction with local planning and assessment processes, and the
10 development and utilization of relevant data.

11 (2) Coordination with programs and services administered and/or operated by other
12 agencies and institutions, including:

13 (i) All programs in categories 1, 2, 3, and 5 as defined by this chapter;

14 (ii) Outreach, recruitment, and intake for program components throughout the delivery
15 system defined in this chapter;

16 (iii) Dissemination of information on financial aid for adult learners, including loans,
17 grants, scholarships, and other forms of financial aid, in cooperation with the Rhode Island
18 [division](#) of higher education assistance [authority](#), pursuant to chapters 56 and 57 of this title;

19 (iv) Psychological testing in relation to education and training, basic skills diagnostic and
20 evaluation services, and multi-phasic vocational testing;

21 (v) Competency based adult high school diploma assessment and certification, as
22 conducted by local education agencies in accordance with this chapter; and

23 (vi) The college level examination program and other mechanisms for establishing and
24 recording postsecondary achievement and competencies in terms of academic credit.

25 (3) General advocacy and communicative relationships with other agencies, institutions,
26 and organizations engaged in or interested in adult education or related activities in the state,
27 including:

28 (i) Programs and services for adult learners in public and private colleges, schools, and
29 other settings, at elementary, secondary, and postsecondary levels;

30 (ii) Adult education programs and services, in any of the categories defined in this
31 chapter, conducted in libraries and other community based settings;

32 (iii) Pre-service, in-service, and upgrading education and training programs, generally in
33 category 2 as defined by this chapter, conducted in employment settings;

34 (iv) Activities, generally in category 2 as defined by this chapter, conducted in the state

1 pursuant to the Job Training Partnership Act, 29 U.S.C. § 1501 et seq., and any amendments to it,
2 extensions of it, or successor legislation;

3 (v) All activities in categories 4 and 6, as defined by this chapter;

4 (vi) Programs and services, generally in categories 1, 2, 3, 5, and 7, as defined by this
5 chapter, conducted in custodial, correctional, and curative institutions in the state;

6 (vii) Programs and services for adults with special needs, such as people with disabilities,
7 immigrants and refugees, women and displaced homemakers, senior citizens, persons of
8 multilingual or multicultural backgrounds, and persons being discharged from the care of
9 institutions referenced in subdivision (3)(vi);

10 (viii) Programs of family and homelife education and parent effectiveness training;

11 (ix) Educational and public service programming on radio and television, including that
12 transmitted electronically and through cable systems; and

13 (x) Automobile and motorcycle driver safety education; and

14 (4) Staff support services for the commission.

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

17 **22-13-9 Access to executive sessions of a public agency -- Access to records --**

18 **Disclosure by the auditor general. --** (a) Whenever a public agency goes into executive session,
19 the auditor general or his or her designated representative shall be permitted to attend the
20 executive session or if the auditor general or his or her designee is not in attendance at the
21 executive session, the auditor general or his or her designee, upon written request, shall be
22 furnished with copies of all data or materials furnished to the members of the public agency at the
23 executive session. If the auditor general or his or her designee attends the executive session, the
24 auditor general shall be furnished the same data in the same form and at the same time as
25 members of the public agency.

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

29 (c) The auditor general shall have full and unlimited access to any and all records of any
30 public agency, in whatever form or mode the records may be, unless the auditor general's access
31 to the records is specifically prohibited or limited by federal or state law. In no case shall any
32 confidentiality provisions of state law be construed to restrict the auditor general's access to the
33 records; provided, the auditor general's access to any confidential data shall not in any way
34 change the confidential nature of the data obtained. Where an audit or investigative finding

1 emanates from confidential data, specific confidential information will not be made public. The
2 records shall include those in the immediate possession of a public agency as well as records
3 which the agency itself has a right to. In the event of a dispute between the agency involved and
4 the auditor general as to whether or not the data involved are confidential by law, the matter will
5 be referred to the attorney general for resolution.

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

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

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

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

30 SECTION 11. Sections 23-14.1-2, 23-14.1-3, 23-14.1-4, 23-14.1-5, 23-14.1-6, 23-14.1-8
31 and 23-14.1-9 of the General Laws in Chapter 23-14.1 entitled "Health Professional Loan
32 Repayment Program" are hereby amended to read as follows:

33 **23-14.1-2 Definitions.** -- For the purpose of this chapter, the following words and terms
34 have the following meanings unless the context clearly requires otherwise:

1 ~~(1) "Authority" means the higher education assistance authority.~~

2 ~~(2)~~(1) "Board" means the health professional loan repayment board.

3 (2) "Commissioner" means the commissioner of postsecondary education.

4 (3) "Community health center" means a health care facility as defined and licensed under
5 chapter 17 of this title.

6 (4) ~~"Director" means the director of the higher education assistance authority.~~ "Division"
7 means the Rhode Island division of higher education assistance.

8 (5) "Eligible health professional" means a physician, dentist, dental hygienist, nurse
9 practitioner, certified nurse midwife, physician assistant, or any other eligible health care
10 professional under § 338A of the Public Health Service Act, 42 U.S.C. § 254l, licensed in the
11 state who has entered into a contract with the board to serve medically underserved populations.

12 (6) "Loan repayment" means an amount of money to be repaid to satisfy loan obligations
13 incurred to obtain a degree or certification in an eligible health profession as defined in
14 subdivision (5).

15 **23-14.1-3 Health professional loan repayment program established.** -- There is
16 established within the division ~~higher education assistance authority~~, to be administered by the
17 commissioner ~~director~~, the health professional loan repayment program whose purpose shall be to
18 provide loan repayment to eligible health professionals to defray the cost of their professional
19 education.

20 **23-14.1-4 Health professional loan repayment board.** -- (a) There is created the health
21 professional loan repayment board, which shall consist of the director of the department of health
22 and eight (8) members appointed by the governor with the advice and consent of the senate. The
23 governor shall give due consideration to any recommendations for nominations submitted to him
24 or her by the Rhode Island Medical Society; the Rhode Island Dental Association; the Rhode
25 Island Health Center Association; the dean of the Brown University Medical School; the dean of
26 the College of Nursing at the University of Rhode Island; the Rhode Island State Nurses'
27 Association; the Hospital Association of Rhode Island; the Rhode Island division of higher
28 education assistance ~~authority~~. All appointed members shall serve for terms of three (3) years and
29 shall receive no compensation for their services. Board members shall be eligible to succeed
30 themselves.

31 (b) The director of the department of health shall serve as chairperson. The board shall
32 elect such other officers as it deems necessary from among its members. All meetings shall be
33 called by the chairperson.

34 (c) Members of the board shall be removable by the governor pursuant to the provisions

1 of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or personal
2 reasons unrelated to capacity or fitness for the office shall be unlawful.

3 **23-14.1-5 Duties of the board.** -- The board shall:

4 (1) Determine which areas of the state shall be eligible to participate in the loan
5 repayment program each year, based on health professional shortage area designations.

6 (2) Receive and consider all applications for loan repayment made by eligible health
7 professionals.

8 (3) Conduct a careful and full investigation of the ability, character, financial needs, and
9 qualifications of each applicant.

10 (4) Consider the intent of the applicant to practice in a health professional shortage area
11 and to adhere to all the requirements for participation in the loan repayment program.

12 (5) Submit to the [commissioner](#) ~~director~~ a list of those individuals eligible for loan
13 repayment and amount of loan repayment to be granted.

14 (6) Promulgate rules and regulations to ensure an effective implementation and
15 administration of the program.

16 (7) Within ninety (90) days after the end of each fiscal year, the board shall approve and
17 submit an annual report to the governor, the speaker of the house of representatives, the president
18 of the senate, and the secretary of state, of its activities during that fiscal year. The report shall
19 provide: an operating statement summarizing meetings or hearings held, including meeting
20 minutes, subjects addressed, decisions rendered, applications considered and their disposition,
21 rules or regulations promulgated, studies conducted, policies and plans developed, approved, or
22 modified, and programs administered or initiated; a consolidated financial statement of all funds
23 received and expended including the source of the funds, a listing of any staff supported by these
24 funds, and a summary of any clerical, administrative or technical support received; a summary of
25 performance during the previous fiscal year including accomplishments, shortcomings and
26 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the
27 committee; a summary of any training courses held pursuant to this chapter; a briefing on
28 anticipated activities in the upcoming fiscal year, and findings and recommendations for
29 improvements. The report shall be posted electronically on the websites of the general assembly
30 and the secretary of state pursuant to the provisions of § 42-20-8.2. The director of the department
31 of administration shall be responsible for the enforcement of the provisions of this subsection.

32 (8) Conduct a training course for newly appointed and qualified members within six (6)
33 months of their qualification or designation. The course shall be developed by the chair of the
34 board, be approved by the board, and be conducted by the chair of the board. The board may

1 approve the use of any board and/or staff members and/or individuals to assist with training. The
2 training course shall include instruction in the following areas: the provisions of chapters 42-46,
3 36-14 and 38-2; and the board's rules and regulations. The director of the department of
4 administration shall, within ninety (90) days of June 16, 2006, prepare and disseminate training
5 materials relating to the provisions of chapters 42-46, 36-14, and 38-2.

6 **23-14.1-6 ~~Duties of the director~~ Duties of the Commissioner.** -- The ~~director~~
7 commissioner shall:

- 8 (1) Grant loan repayments to successful applicants as determined by the board.
9 (2) Enter into contracts, on behalf of the division ~~higher education assistance authority~~
10 with each successful applicant, reflecting the purpose and intent of this chapter.

11 **23-14.1-8 Contracts required.** -- Prior to being granted loan repayment each eligible
12 health professional shall enter into a contract with the ~~authority~~ division agreeing to the terms and
13 conditions upon which the loan repayment is granted. The contract shall include any provisions
14 that are required to fulfill the purposes of this chapter and those deemed advisable by the ~~director~~
15 commissioner.

16 **23-14.1-9 Penalty for failure to complete contract.** -- (a) If the recipient of a loan
17 repayment fails, without justifiable cause, to practice pursuant to the terms and conditions of his
18 or her contract with the ~~authority~~ division, a penalty for the failure to complete the contract will
19 be imposed. If the recipient fails to complete the period of obligated service, he or she shall be
20 liable to the state of Rhode Island for:

- 21 (1) An amount equal to the total paid on behalf of the recipient; and
22 (2) An unserved obligation penalty equal to the number of months of obligated service
23 not completed by the recipient multiplied by one thousand dollars (\$1,000).

24 (b) If the recipient fails to complete one year of service, he or she shall be liable to the
25 state of Rhode Island for:

- 26 (1) An amount equal to the total paid on behalf of the recipient; and
27 (2) An unserved obligation penalty equal to the number of months in the full period
28 multiplied by one thousand dollars (\$1,000).

29 (c) Any amount owed shall be paid to the State of Rhode Island within one year of the
30 date that the recipient is in breach of contract.

31 (d) Where the ~~director~~ commissioner, subject to the approval of the board, determines
32 that there exists justifiable cause for the failure of a recipient to practice pursuant to the terms and
33 conditions of the contract, he or she may relieve the recipient of the obligation to fulfill any or all
34 of the terms of the contract.

1 SECTION 12. Section 25-2-18.1 of the General Laws in Chapter 25-2 entitled "Days of
2 Special Observance" is hereby amended to read as follows:

3 **25-2-18.1 Martin Luther King, Jr. State Holiday Commission.** -- (a) There is created a
4 permanent commission to be known as the Martin Luther King, Jr. State Holiday Commission to
5 consist of thirteen (13) members, three (3) of whom shall be from the house of representatives,
6 not more than two (2) from the same political party, to be appointed by the speaker; three (3) of
7 whom shall be from the senate, not more than two (2) from the same political party to be
8 appointed by the president of the senate; three (3) of whom shall be representatives of the general
9 public, to be appointed by the speaker; two (2) of whom shall be representatives of the general
10 public to be appointed by the president of the senate; one of whom shall be a representative of the
11 governor's office, to be appointed by the governor; and one of whom shall be the lieutenant
12 governor, all of the foregoing to be known as commission members. The commission shall
13 appoint not more than sixteen (16) representatives from organizations and groups generally
14 identified with and thought to epitomize the ideals of Dr. Martin Luther King, Jr., all of whom
15 shall be known as non-voting affiliate members, to serve for two (2) year terms.

16 (b) The purpose of the commission shall be to plan, supervise and administer, in
17 conjunction with the federal Martin Luther King Day Commission and the Martin Luther King
18 Center for Non-Violent Social Change, an appropriate celebration to commemorate the birthday
19 of Dr. Martin Luther King, Jr., and the annual observance of Dr. Martin Luther King Day, which
20 will be observed on the third Monday in January each year. The commission shall not limit its
21 activities to the annual celebration, but shall endeavor to promote educational efforts throughout
22 the year, as well as to promote seminar events during the annual celebration that will be of
23 informative value to all segments of the Rhode Island community.

24 (c) The members of the commission shall, in February of each odd-numbered year, elect
25 from among themselves a chairperson, who shall be a legislator, and a vice-chairperson, who
26 shall not be a government official or employee. Vacancies in the commission shall be filled in
27 like manner as the original appointment.

28 (d) The commission is empowered to appoint committees to study specialized areas of
29 concern and to report their findings and recommendations to the commission; provided, however,
30 that one of these committees shall be an education committee.

31 (e) The commission is empowered to establish a Martin Luther King Scholarship Fund
32 and to award scholarships from the fund. Decisions concerning scholarship awards shall be made
33 by the education committee of the commission in conjunction with the division of higher
34 education assistance ~~authority~~.

1 (f) The commission is empowered to apply for and receive grants, appropriations, or gifts
2 from any federal, state, or local agency, from any public or private foundation, and from any
3 person, firm, or corporation in order to carry out the purposes of this chapter. The allocation of
4 any funds received shall be decided by a majority vote of voting members in attendance at a
5 meeting duly convened for the conduct of business by the commission.

6 (g) Seven (7) members of the commission shall constitute a quorum.

7 (h) The commission shall meet at least four (4) times per year.

8 (i) The commission shall adopt policies concerning the responsibilities of its voting
9 members and non-voting affiliate members, including attendance at commission meetings.

10 (j) All departments and agencies of the state shall furnish advice and information,
11 documentary and otherwise, to the commission and its agents as may be necessary or desirable to
12 facilitate the purposes of this chapter.

13 (k) The speaker is authorized and directed to provide suitable quarters for the
14 commission.

15 (l) The commission shall file a report with the general assembly outlining its plans for
16 the celebration on or before December 15th each year prior to the celebration.

17 SECTION 13. Section 30-30-2 of the General Laws in Chapter 30-30 entitled "Benefits
18 for Dependents of Deceased Veterans, P.O.W.S., and M.I.A.S" is hereby amended to read as
19 follows:

20 **30-30-2 Administration.** -- The division of higher education assistance ~~authority~~ shall be
21 designated as the administering authority for this chapter and shall, no later than August 30, 1987,
22 establish rules, regulations, procedures, and safeguards for the implementation of this chapter.
23 The regulations and procedures shall include but not be limited to the establishment of income
24 guidelines and academic performance criteria. No funds shall be awarded under this chapter until
25 these regulatory and administrative measures are established.

26 SECTION 14. Sections 35-10-1 and 35-10-4 of the General Laws in Chapter 35-10
27 entitled "State Investment Commission" are hereby amended to read as follows:

28 **35-10-1 Establishment – Membership – Officers – Quorum – Investment votes –**
29 **Fund managers.** -- (a) There is hereby authorized, created and established in the office of the
30 general treasurer a state investment commission, the membership of which shall consist of the
31 general treasurer, ex officio, or a deputy general treasurer as his or her designee, who shall act as
32 chairperson, the director of administration, ex officio, or any assistant director of administration
33 as his or her designee, who shall act as secretary, ~~director of the higher education assistance~~
34 ~~authority, or his or her designee to be appointed by the general treasurer,~~ an active or retired

1 teacher, state, or municipal employee member of the retirement system or official from the
2 teacher, state, or municipal employee unions to be appointed by the general treasurer for a term of
3 three (3) years, the executive director of the state retirement board, who shall be a nonvoting
4 member, ~~two (2)~~ three (3) members of the general public to be appointed by the general treasurer,
5 one of whom shall serve for an initial term of one year, and one of whom shall serve for an initial
6 term of two (2) years and until his or her successor is appointed and qualified and three (3)
7 members of the general public to be appointed by the governor, one of whom shall serve for an
8 initial term of three (3) years, one of whom shall serve for an initial term of two (2) years, and
9 one of whom shall serve for an initial term of one year and until his or her successor is appointed
10 and qualified. Thereafter, the general public members shall serve for three (3) year terms and
11 until his or her successor is appointed and qualified. The members of the general public appointed
12 by the governor and the general treasurer shall be qualified by training or experience in the field
13 of investment or finance.

14 The commission may elect from among its own members such other officers as they
15 deem necessary. All general treasurer and gubernatorial appointments made under this section
16 after the effective date of this act [July 4, 2006] shall be subject to the advice and consent of the
17 senate. No one shall be eligible for appointment unless he or she is a resident of this state.

18 Public members of the board shall be removable by the chair for cause only, and removal
19 solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be
20 unlawful.

21 Newly appointed and qualified public members shall, within six (6) months of their
22 appointment, attend a training course that shall be developed and provided by the office of the
23 general treasurer and shall include instruction in the following areas: the provisions of chapters
24 35-10, 42-46, 36-14 and 38-2 of the Rhode Island general laws; and the board's rules and
25 regulations. The director of the department of administration shall, within ninety (90) days of the
26 effective date of this act [July 4, 2006], prepare and disseminate training materials relating to the
27 provisions of chapters 42-46, 36-14 and 38-2.

28 Any member of the general public who was appointed by the governor or general
29 treasurer prior to the effective date of this act [July 4, 2006] shall continue to serve until such
30 time as a successor is appointed and qualified.

31 (b) A member shall be eligible to succeed himself or herself. In the event of a vacancy in
32 the office of an appointive member, the vacancy shall be filled by the appointing authority for the
33 unexpired term.

34 (c) A majority of all the members of the commission shall be necessary to constitute a

1 quorum thereof. The approval of a majority of the commission shall be required prior to the
2 purchase or sale of any investment, excepting those investments made by investment managers
3 engaged by the commission and invested in accordance with the commission's statement of
4 investment objectives and policies, day to day cash investments by the general treasurer, and,
5 because of the importance of speedy action, investments in obligations of the United States
6 government or certificates of deposit maturing within one year. These investments may be made
7 within the framework of a policy established by the commission without prior approval of each
8 transaction. The commission shall be empowered to engage one or more fund managers and to
9 delegate to the manager or managers the authority to carry out the investment of the funds within
10 the commission's control, or any portion thereof, in accordance with the objectives of the
11 commission as set forth in its statement of investment objectives and policies.

12 (d) The day-to-day administration of the commission, including the voting of proxies and
13 the execution of investment acquisitions and dispositions of the commission's assets, shall be
14 carried out by the office of the general treasurer; provided, that the costs and expenses incurred in
15 the management of the funds within the commission's control shall remain the obligation of those
16 funds and not that of the general treasurer.

17 (e) Within ninety (90) days after the end of each fiscal year during which the board has
18 conducted business, the commission shall submit an annual report to the governor, the speaker of
19 the house of representatives, the president of the senate, and the secretary of state of its activities
20 during that fiscal year. The report shall provide: an operating statement summarizing meetings or
21 hearings held, meeting minutes if requested, 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 the funds
24 received and expended including the source of funds, a listing of any staff supported by these
25 funds, 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; a summary of any training courses held pursuant to § 35-10-1; a briefing
29 on anticipated activities in the upcoming fiscal year; and findings and recommendations for
30 improvements. The report shall be posted electronically on the general assembly and the secretary
31 of state's website as prescribed in § 42-20-8.2 of the Rhode Island general laws. The director of
32 the department of administration shall be responsible for the enforcement of this provision.

33 **35-10-4 Funds not subject to investment.** -- The commission shall not invest money in
34 funds which are subject to the control of the board of governors for higher education; provided,

1 however, that the commission shall not be prohibited from investing moneys in the college
2 savings program created by § 16-57-6.1 ~~and administered by the Rhode Island Higher Education~~
3 ~~Assistance Authority in conjunction with the executive director of the Rhode Island Student Loan~~
4 ~~Authority and the commissioner of higher education.~~

5 SECTION 15. Section 37-2-7 of the General Laws in Chapter 37-2 entitled "State
6 Purchases" is hereby amended to read as follows:

7 **37-2-7 Definitions.** -- The words defined in this section have the meanings set forth
8 below whenever they appear in this chapter, unless the context in which they are used clearly
9 requires a different meaning or a different definition is prescribed for a particular section, group
10 of sections, or provision:

11 (1) "Business" means any corporation, partnership, individual, sole proprietorship, joint
12 stock company, joint venture, or any other legal entity through which business is conducted.

13 (2) "Change order" means a written authorization signed by the purchasing agent
14 directing or allowing the contractor to proceed with changes, alterations, or modifications to the
15 terms, conditions, or scope of work on a previously awarded contract

16 (3) "Chief purchasing officer" shall mean: (i) for a state agency, the director of the
17 department of administration, and (ii) for a public agency, the executive director or the chief
18 operational officer of the agency.

19 (4) "Construction" means the process of building, altering, repairing, improving, or
20 demolishing any public structures or building, or other public improvements of any kind to any
21 public real property. It does not include the routine maintenance or repair of existing structures,
22 buildings, or real property performed by salaried employees of the state of Rhode Island in the
23 usual course of their jobs.

24 (5) "Contract" means all types of agreements, including grants and orders, for the
25 purchase or disposal of supplies, services, construction, or any other item. It includes awards;
26 contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for
27 the issuance of job or task orders; leases; letter contracts; purchase orders; and construction
28 management contracts. It also includes supplemental agreements with respect to any of the
29 foregoing. "Contract" does not include labor contracts with employees of state agencies.

30 (6) "Contract amendment" means any written alteration in the specifications, delivery
31 point, rate of delivery, contract period, price, quantity, or other contract provisions of any existing
32 contract, whether accomplished by unilateral action in accordance with a contract provision, or by
33 mutual action of the parties to the contract. It includes bilateral actions, such as supplemental
34 agreements, and unilateral actions, such as change orders, administrative changes, notices of

1 termination, and notices of the exercise of a contract option.

2 (7) "Contractor" means any person having a contract with a governmental body.

3 (8) "Data" means recorded information, regardless of form or characteristic.

4 (9) "Designee" means a duly authorized representative of a person holding a superior
5 position.

6 (10) "Employee" means an individual drawing a salary from a state governmental entity.

7 (11) "State governmental entity" means any entity created as a legislative body or a
8 public or state agency by the general assembly or constitution of this state, except for municipal,
9 regional, or county governmental entities.

10 (12) "May" means permissive.

11 (13) "Negotiation" means contracting by either the method set forth in § 37-2-19, 37-2-
12 20, or 37-2-21.

13 (14) "Person" means any business, individual, organization, or group of individuals.

14 (15) "Procurement" means the purchasing, buying, renting, leasing, or otherwise
15 obtaining of any supplies, services, or construction. It also includes all functions that pertain to
16 the obtaining of any supply, service, or construction item, including a description of
17 requirements, selection and solicitation of sources, preparation, and award of contract, and all
18 phases of contract administration.

19 (16) "Public agency" shall mean the Rhode Island industrial recreational building
20 authority, the Rhode Island economic development corporation, the Rhode Island industrial
21 facilities corporation, the Rhode Island refunding bond authority, the Rhode Island housing and
22 mortgage finance corporation, the Rhode Island resource recovery corporation, the Rhode Island
23 public transit authority, the Rhode Island student loan authority, the Howard development
24 corporation, the water resources board corporate, the Rhode Island health and education building
25 corporation, ~~the Rhode Island higher education assistance authority,~~ the Rhode Island turnpike
26 and bridge authority, the Blackstone Valley district commission, the Narragansett Bay water
27 quality management district commission, the Rhode Island telecommunications authority, the
28 convention center authority, the Channel 36 foundation, the Rhode Island lottery commission
29 their successors and assigns, any other body corporate and politic which has been or will be
30 created or established within this state excepting cities and towns, and the board of governors for
31 higher education for all purchases which are funded by restricted, sponsored, or auxiliary monies.

32 (17) "Purchase request" or "purchase requisition" means that document whereby a using
33 agency requests that a contract be entered into to obtain goods and/or services for a specified
34 need, and may include, but is not limited to, the technical description of the requested item,

1 delivery requirements, transportation mode request, criteria for evaluation of proposals, and/or
2 preparation of suggested sources of supply, and information supplied for the making of any
3 written determination and finding required by § 37-2-6.

4 (18) "Purchasing agency" means any state governmental entity which is authorized by
5 this chapter, its implementing regulations, or by way of delegation from the chief purchasing
6 officer to contract on its own behalf rather than through the central contracting authority of the
7 chief purchasing officer.

8 (19) "Purchasing agent" means any person authorized by a governmental entity in
9 accordance with procedures prescribed by regulations, to enter into and administer contracts and
10 make written determinations and findings with respect to contracts. The term also includes an
11 authorized representative acting within the limits of authority. "Purchasing agent" also means the
12 person appointed in accordance with § 37-2-1.

13 (20) "Services" means the rendering, by a contractor, of its time and effort rather than the
14 furnishing of a specific end product, other than reports which are merely incidental to the required
15 performance of services. "Services" does not include labor contracts with employees of state
16 agencies.

17 (21) "Shall" means imperative.

18 (22) "State" means the state of Rhode Island and any of its departments or agencies and
19 public agencies.

20 (23) "Supplemental agreement" means any contract modification which is accomplished
21 by the mutual action of the parties.

22 (24) "Supplies" means all property, including, but not limited to, leases of real property,
23 printing, and insurance, except land or permanent interest in land.

24 (25) "Using agency" means any state governmental entity which utilizes any supplies,
25 services, or construction purchased under this chapter.

26 (26) As used in § 37-2-59, "architect" or "engineer" services means those professional
27 services within the scope of practice of architecture, professional engineering, or registered land
28 surveying pertaining to construction, as defined by the laws of this state. "Consultant" means any
29 person with whom the state and/or a public agency has a contract which contract provides for the
30 person to give direction or information as regards a particular area of knowledge in which the
31 person is a specialist and/or has expertise.

32 (27) For purposes of §§ 37-2-62 – 37-2-70, "directors" means those members of a public
33 agency appointed pursuant to a statute who comprise the governing authority of the board,
34 commission, authority, and/or corporation.

1 (28) "State agency" means any department, commission, council, board, bureau,
2 committee, institution, or other governmental entity of the executive or judicial branch of this
3 state not otherwise established as a body corporate and politic, and includes, without limitation,
4 the board of governors for higher education except for purchases which are funded by restricted,
5 sponsored, or auxiliary moneys and the board of regents for elementary and secondary education.

6 (29) "Governmental entity" means any department, commission, council, board, bureau,
7 committee, institution, legislative body, agency, or government corporation of the executive,
8 legislative, or judicial branches of state, federal, and/or local governments.

9 (30) "Construction management at-risk" or "construction management at-risk services" or
10 "construction management at-risk delivery method" is a construction method wherein a
11 construction manager at-risk provides a range of preconstruction services and construction
12 management services which may include cost estimation and consultation regarding the design of
13 the building project, the preparation and coordination of bid packages, scheduling, cost control,
14 and value engineering, acting as the general contractor during the construction, detailing the trade
15 contractor scope of work, holding the trade contracts and other contracts, evaluating trade
16 contractors and subcontractors, and providing management and construction services, all at a
17 guaranteed maximum price, which shall represent the maximum amount to be paid by the using
18 agency for the building project, including the cost of work, the general conditions and the fee
19 payable to the construction management at-risk firm.

20 (31) "Construction manager at-risk" or "construction management at-risk firm" is a
21 person or business experienced in construction that has the ability to evaluate and to implement
22 drawings and specifications as they affect time, cost and quality of construction and the ability to
23 coordinate and deliver the construction of the project within a guaranteed maximum price, which
24 shall represent the maximum amount to be paid by the using agency for the building project,
25 including the cost of the work, the general conditions and the fee payable to the construction
26 management at-risk firm. The construction manager at-risk provides consultation services during
27 the preconstruction and construction phases of the project. The project engineer, architect or
28 owner's program manager may not serve as the construction manager at-risk.

29 (32) "Owner's program manager" shall be an entity engaged to provide project
30 management services on behalf of a state agency for the construction and supervision of the
31 construction of a building project. The owner's program manager acts as the owner's agent in all
32 aspects of the construction project, including, but not limited to, architectural programming,
33 planning, design, construction, and the selection and procurement of an appropriate construction
34 delivery method. The owner's program manager shall have at least seven (7) years experience in

1 the construction and supervision of construction of buildings of similar size and complexity. The
2 owner's program manager shall not have been employed during the preceding year by the design
3 firm, the construction firm, and/or the subcontractors associated with the project.

4 SECTION 16. Section 37-13-7 of the General Laws in Chapter 37-13 entitled "Labor and
5 Payment of Debts by Contractors" is hereby amended to read as follows:

6 **37-13-7 Specification in contract of amount and frequency of payment of wages. --**

7 (a) Every call for bids for every contract in excess of one thousand dollars (\$1,000), to which the
8 state of Rhode Island or any political subdivision thereof or any public agency or quasi-public
9 agency is a party, for construction, alteration, and/or repair, including painting and decorating, of
10 public buildings or public works of the state of Rhode Island or any political subdivision thereof,
11 or any public agency or quasi-public agency and which requires or involves the employment of
12 employees, shall contain a provision stating the minimum wages to be paid various types of
13 employees which shall be based upon the wages that will be determined by the director of labor
14 and training to be prevailing for the corresponding types of employees employed on projects of a
15 character similar to the contract work in the city, town, village, or other appropriate political
16 subdivision of the state of Rhode Island in which the work is to be performed. Every contract
17 shall contain a stipulation that the contractor or his or her subcontractor shall pay all the
18 employees employed directly upon the site of the work, unconditionally and not less often than
19 once a week, and without subsequent deduction or rebate on any account, the full amounts
20 accrued at time of payment computed at wage rates not less than those stated in the call for bids,
21 regardless of any contractual relationships which may be alleged to exist between the contractor
22 or subcontractor and the employees, and that the scale of wages to be paid shall be posted by the
23 contractor in a prominent and easily accessible place at the site of the work; and the further
24 stipulation that there may be withheld from the contractor so much of the accrued payments as
25 may be considered necessary to pay to the employees employed by the contractor, or any
26 subcontractor on the work, the difference between the rates of wages required by the contract to
27 be paid the employees on the work and the rates of wages received by the employees and not
28 refunded to the contractor, subcontractors, or their agents.

29 (b) The terms "wages", "scale of wages", "wage rates", "minimum wages", and
30 "prevailing wages" shall include:

31 (1) The basic hourly rate of pay; and

32 (2) The amount of:

33 (A) The rate of contribution made by a contractor or subcontractor to a trustee or to a
34 third person pursuant to a fund, plan, or program; and

1 (B) The rate of costs to the contractor or subcontractor which may be reasonably
2 anticipated in providing benefits to employees pursuant to an enforceable commitment to carry
3 out a financially responsible plan or program which was communicated in writing to the
4 employees affected, for medical or hospital care, pensions on retirement or death, compensation
5 for injuries or illness resulting from occupational activity, or insurance to provide any of the
6 foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or
7 accident insurance, for vacation and holiday pay, for defraying costs of apprenticeship or other
8 similar programs, or for other bona fide fringe benefits, but only where the contractor or
9 subcontractor is not required by other federal, state, or local law to provide any of the benefits;
10 provided, that the obligation of a contractor or subcontractor to make payment in accordance with
11 the prevailing wage determinations of the director of labor and training insofar as this chapter of
12 this title and other acts incorporating this chapter of this title by reference are concerned may be
13 discharged by the making of payments in cash, by the making of contributions of a type referred
14 to in subsection (b)(2), or by the assumption of an enforceable commitment to bear the costs of a
15 plan or program of a type referred to in this subdivision, or any combination thereof, where the
16 aggregate of any payments, contributions, and costs is not less than the rate of pay described in
17 subsection (b)(1) plus the amount referred to in subsection (b)(2).

18 (c) The term "employees", as used in this section, shall include employees of contractors
19 or subcontractors performing jobs on various types of public works including mechanics,
20 apprentices, teamsters, chauffeurs, and laborers engaged in the transportation of gravel or fill to
21 the site of public works, the removal and/or delivery of gravel or fill or ready-mix concrete, sand,
22 bituminous stone, or asphalt flowable fill from the site of public works, or the transportation or
23 removal of gravel or fill from one location to another on the site of public works, and the
24 employment of the employees shall be subject to the provisions of subsections (a) and (b).

25 (d) The terms "public agency" and "quasi-public agency" shall include, but not be limited
26 to, the Rhode Island industrial recreational building authority, the Rhode Island economic
27 development corporation, the Rhode Island airport corporation, the Rhode Island industrial
28 facilities corporation, the Rhode Island refunding bond authority, the Rhode Island housing and
29 mortgage finance corporation, the Rhode Island resource recovery corporation, the Rhode Island
30 public transit authority, the Rhode Island student loan authority, the water resources board
31 corporate, the Rhode Island health and education building corporation, ~~the Rhode Island higher~~
32 ~~education assistance authority~~, the Rhode Island turnpike and bridge authority, the Narragansett
33 Bay water quality management district commission, Rhode Island telecommunications authority,
34 the convention center authority, the board of governors for higher education, the board of regents

1 for elementary and secondary education, the capital center commission, the housing resources
2 commission, the Quonset Point-Davisville management corporation, the Rhode Island children's
3 crusade for higher education, the Rhode Island depositors economic protection corporation, the
4 Rhode Island lottery commission, the Rhode Island partnership for science and technology, the
5 Rhode Island public building authority, and the Rhode Island underground storage tank board.

6 SECTION 17. Section 42-11.3-1 of the General Laws in Chapter 42-11.3 entitled "Motor
7 Vehicles Owned by a Governmental Body" is hereby amended to read as follows:

8 **42-11.3-1 Definition.** -- As used in this chapter, the following terms have the following
9 meanings unless otherwise specified:

10 (1) "General officer" means the governor, the lieutenant governor, the attorney general,
11 the secretary of state, and the general treasurer.

12 (2)(i) "Governmental body" means any department, commission, council, board, bureau,
13 committee, institution, legislative body, agency, government corporation, including, without
14 limitation, the board of governors for higher education and board of regents for elementary and
15 secondary education or other establishment of the executive, legislative or judicial branch of the
16 state.

17 (ii) "Governmental body" also means the Rhode Island industrial recreational building
18 authority, the Rhode Island economic development corporation, the Rhode Island industrial
19 facilities corporation, the Rhode Island refunding bond authority, the Rhode Island housing and
20 mortgage finance corporation, the Rhode Island solid waste management corporation, the Rhode
21 Island public transit authority, the Rhode Island student loan authority, the Howard development
22 corporation, the water resources board, the Rhode Island health and education building
23 corporation, ~~the Rhode Island higher education assistance authority,~~ the Rhode Island turnpike
24 and bridge authority, the Blackstone Valley district commission, the Narragansett Bay water
25 quality management district commission, Rhode Island telecommunications authority, the
26 convention center authority, channel 36 foundation, their successors and assigns, and any other
27 body corporate and politic which has been here before or which is hereinafter created or
28 established within this state excepting cities and towns.

29 (3) "Own" means control and the intent to control and includes any type of arrangement,
30 including by way of illustration, and not by limitation, a lease arrangement, whereby an employee
31 of a governmental body is supplied principal or exclusive use of a motor vehicle by his or her
32 employer.

33 (4) "Law enforcement officer" means an individual: (i) who is employed on a full-time
34 basis by a governmental body that is responsible for the prevention or investigation of crime

1 involving injury to persons or property (including the apprehension or detention of persons for
2 such crimes); (ii) who is authorized by law to carry firearms, execute search warrants, and to
3 make arrests (other than merely a citizen's arrest); and (iii) who regularly carries firearms (except
4 when it is not possible to do so because of the requirements of undercover work). The term law
5 enforcement officer shall include an arson investigator if the investigator otherwise meets these
6 requirements.

7 (5) "Commuting" means driving a motor vehicle owned by a governmental body to and
8 from the work place and the employee's residence.

9 (6) "Employee" means an individual who works for a governmental body not less than
10 thirty-five (35) hours a week.

11 SECTION 18. Section 42-35-1 of the General Laws in Chapter 42-35 entitled
12 "Administrative Procedures" is hereby amended to read as follows:

13 **42-35-1 Definitions.** -- As used in this chapter:

14 (1) "Agency" includes each state board, commission, department, or officer, other than
15 the legislature or the courts, authorized by law to make rules or to determine contested cases, and
16 all "authorities", as that term is defined below;

17 (2) "Authorities" includes the following: the Rhode Island industrial building authority,
18 the Rhode Island recreational building authority, the Rhode Island economic development
19 corporation, the Rhode Island industrial facilities corporation, the Rhode Island refunding bond
20 authority, the Rhode Island housing and mortgage finance corporation, the Rhode Island solid
21 waste management corporation, the Rhode Island public transit authority, the Rhode Island
22 student loan authority, the Howard development corporation, the water resources board, the
23 Rhode Island health and educational building corporation, ~~the Rhode Island higher education~~
24 ~~assistance authority~~, the Rhode Island turnpike and bridge authority, the Blackstone Valley
25 district commission, the Narragansett Bay water quality management district commission, their
26 successors and assigns, and any body corporate and politic with the power to issue bonds and
27 notes, which are direct, guaranteed, contingent, or moral obligations of the state, which is
28 hereinafter created or established in this state.

29 (3) "Contested case" means a proceeding, including but not restricted to ratemaking, price
30 fixing, and licensing, in which the legal rights, duties, or privileges of a specific party are required
31 by law to be determined by an agency after an opportunity for hearing;

32 (4) "License" includes the whole or part of any agency permit, certificate, approval,
33 registration, charter, or similar form of permission required by law, but it does not include a
34 license required solely for revenue purposes;

1 (5) "Licensing" includes the agency process respecting the grant, denial, renewal,
2 revocation, suspension, annulment, withdrawal, or amendment of a license;

3 (6) "Party" means each person or agency named or admitted as a party, or properly
4 seeking and entitled as of right to be admitted as a party;

5 (7) "Person" means any individual, partnership, corporation, association, the department
6 of environmental management, governmental subdivision, or public or private organization of
7 any character other than an agency;

8 (8) "Rule" means each agency statement of general applicability that implements,
9 interprets, or prescribes law or policy or describes the organization, procedure, or practice
10 requirements of any agency. The term includes the amendment or repeal of a prior rule, but does
11 not include: (1) statements concerning only the internal management of an agency and not
12 affecting private rights or procedures available to the public, or (2) declaratory rulings issued
13 pursuant to § 42-35-8, (3) intra-agency memoranda, or (4) an order;

14 (9) "Small business" shall shall have the same meanings that are provided for under title
15 13, volume 1, part 121 of the Code of Federal Regulations (13 CFR 121, as may be amended
16 from time to time);

17 (10) "Order" means the whole or a part of a final disposition, whether affirmative,
18 negative, injunctive or declaratory in form, of a contested case;

19 (11) "Small business advocate" means the person appointed by the director of the
20 economic development corporation as provided in § 42-64-34.

21 SECTION 19. Section 42-104-1 of the General Laws in Chapter 42-104 entitled "The
22 William P. Robinson, Jr., Building" is hereby amended to read as follows:

23 **42-104-1 The William P. Robinson, Jr., Building.** -- The Rhode Island [division of](#)
24 higher education assistance ~~authority~~ building on Jefferson Boulevard in the city of Warwick
25 shall be named the "William P. Robinson, Jr., Building".

26 SECTION 20. Section 42-155-3 of the General Laws in Chapter 42-155 entitled "Quasi-
27 Public Corporations Accountability and Transparency Act" is hereby amended to read as follows:

28 **42-155-3 Definitions. [Effective January 1, 2015.]** -- (a) As used in this chapter, "quasi-
29 public corporation" means any body corporate and politic created, or to be created, pursuant to
30 the general laws, including, but not limited to, the following:

- 31 (1) Capital center commission;
- 32 (2) Rhode Island convention center authority;
- 33 (3) Rhode Island industrial facilities corporation;
- 34 (4) Rhode Island industrial-recreational building authority;

- 1 (5) Rhode Island small business loan fund corporation;
- 2 (6) Quonset development corporation;
- 3 (7) Rhode Island airport corporation;
- 4 (8) I-195 redevelopment district commission;
- 5 (9) Rhode Island health and educational building corporation;
- 6 (10) Rhode Island housing and mortgage finance corporation;
- 7 ~~(11) Rhode Island higher education assistance authority;~~
- 8 ~~(12)~~(11) Rhode Island student loan authority;
- 9 ~~(13)~~(12) Narragansett bay commission;
- 10 ~~(14)~~(13) Rhode Island clean water finance agency;
- 11 ~~(15)~~(14) Rhode Island water resources board;
- 12 ~~(16)~~(15) Rhode Island resource recovery corporation;
- 13 ~~(17)~~(16) Rhode Island public rail corporation;
- 14 ~~(18)~~(17) Rhode Island public transit authority;
- 15 ~~(19)~~(18) Rhode Island turnpike and bridge authority;
- 16 ~~(20)~~(19) Rhode Island tobacco settlement financing corporation; and
- 17 ~~(21)~~(20) Any subsidiary of the Rhode Island commerce corporation.

18 (b) Cities, towns, and any corporation created that is an instrumentality and agency of a
 19 city or town, and any corporation created by a state law that has been authorized to transact
 20 business and exercise its powers by a city or town pursuant to ordinance or resolution, and fire
 21 and water districts are not subject to the provisions of this chapter.

22 (c) The Rhode Island commerce corporation, being subject to similar transparency and
 23 accountability requirements set forth in chapter 64 of title 42; the Rhode Island public rail
 24 corporation established in chapter 64.2 of title 42; Block Island power authority; and the Pascoag
 25 utility district shall not be subject to the provisions of this chapter.

26 SECTION 21. Sections 44-30.1-1, 44-30.1-3 and 44-30.1-5 of the General Laws in
 27 Chapter 44-30.1 entitled "Setoff of Refund of Personal Income Tax" are hereby amended to read
 28 as follows:

29 **44-30.1-1 Definitions.** -- (a) "Benefit overpayments and interest owed" means any
 30 amount in excess of five hundred dollars (\$500) determined to be recoverable under the
 31 provisions of chapters 39 – 44 of title 28.

32 (b) "Cash assistance benefit overpayments" means any amount of cash assistance benefits
 33 which constitutes an overpayment of benefits under the provisions of the Rhode Island Works
 34 Program as previously established by chapter 5.2 of title 40, and/or the predecessor family

1 assistance programs, formerly known as the Family Independence Program, as previously
2 established by chapter 5.1 of title 40, and the Aid to Families With Dependent Children program,
3 as previously established by § 40-6-4, which overpayment amount has been established by court
4 order, by administrative hearing conducted by the department of human services, or by written
5 agreement between the department of human services and the individual.

6 (c) "Claimant agency" means either:

7 (1) The department of human services, with respect (1) to past-due support which has
8 been assigned to the department of human services by public assistance and medical assistance
9 recipients or by the department for children, youth and families, (2) past-due support which it is
10 attempting to collect on behalf of any individual not eligible as a public assistance recipient, and
11 (3) cash assistance benefit overpayments or medical assistance benefit overpayments, as defined
12 herein; or

13 (2)(i) The Rhode Island [division of](#) higher education assistance ~~authority (RIHEAA)~~,
14 with respect to obligations owed to that agency or to the state of Rhode Island by reason of
15 default or failure to pay student loans, health professions contract advances or scholarships or
16 grant over-awards, or

17 (ii) The Rhode Island [division of](#) higher education assistance ~~authority (RIHEAA)~~, acting
18 as agent for the United States Department of Education or other student loan guarantee agencies
19 in other states which have negotiated a reciprocal arrangement with [the Rhode Island division of](#)
20 [higher education assistance](#) ~~RIHEAA~~ for the setoff of refunds of personal income taxes against
21 defaulted loan obligations.

22 (3) The Rhode Island court administrative office, with respect to court costs, fines, and
23 restitution owed; or

24 (4) The department of labor and training with respect to benefit overpayments and
25 interest owed in excess of five hundred dollars (\$500).

26 (d) "Court costs owed" means any fines, fees, and/or court costs which have been
27 assessed pursuant to a criminal disposition by a judge of the district, family and superior courts,
28 including, but not limited to, those amounts assessed pursuant to chapters 20 and 25 of title 12
29 and those amounts assessed pursuant to title 31, including also those fines, fees, and/or court costs
30 assessed by the traffic tribunal or municipal court associated with motor vehicle violations which
31 have not been paid and which have been declared delinquent by the administrative judge of the
32 court making the assessment.

33 (e) "Debtor" means:

34 (1) Any individual who owes past-due support which has been assigned to the department

1 of human services by public assistance and medical assistance recipients or by the department of
2 children, youth and families, or owes past due support to any individual not eligible as a public
3 assistance recipient;

4 (2) Any individual who has obligations owed to [the Rhode Island division of higher](#)
5 [education assistance](#) ~~RIHEAA~~ or the state of Rhode Island, the United States Department of
6 Education or other states and agencies that have negotiated reciprocal agreements with [the Rhode](#)
7 [Island division of higher education assistance](#) ~~RIHEAA~~;

8 (3) Any individual who owes fines, fees, and/or court costs to the superior, family,
9 district courts and the traffic tribunal and municipal court associated with motor vehicle
10 violations;

11 (4) Any individual who owes restitution to any victim of any offense which has been
12 ordered by a judge of the district, family and superior courts pursuant to a disposition in a
13 criminal case and which has been made payable through the administrative office of state courts
14 pursuant to § 12-19-34 except that obligations discharged in bankruptcy shall not be included;

15 (5) Any individual who owes any sum in excess of five hundred dollars (\$500) for benefit
16 overpayments and interest to the department of labor and training determined to be recoverable
17 under the provisions of chapters 39-44 of title 28.

18 (6) Any individual who owes any sum of cash assistance benefit overpayments to the
19 department of human services.

20 (7) Any individual who has obligations owed to the Rhode Island Student Loan Authority
21 (RISLA), or other states and agencies that have negotiated reciprocal agreements with RISLA.

22 (f) "Division" means the department of revenue, division of taxation.

23 (g) "Fines owed" means any fines, fees, and/or court costs which have been ordered paid
24 as a penalty in a criminal case by a judge of the district, family and superior courts and those
25 fines, fees, and/or court costs ordered paid by the traffic tribunal or municipal court for motor
26 vehicle violations as described in § 31-41.1-4 which have not been paid and which have been
27 declared delinquent by the administrative judge of the court making the assessment.

28 (h) "Medical assistance benefit overpayment" means any amount of medical assistance
29 benefits which constitutes an overpayment of medical assistance benefits. The department is
30 authorized to promulgate rules and regulations to provide for notice and hearing prior to the
31 income tax intercept by the department for income tax intercept for medical assistance benefits
32 overpaid to the recipient. The amount of overpayment of benefits may include the overpayment
33 of benefits due to the fact that the Medicaid recipient failed to pay the cost share obligation
34 lawfully imposed in accordance with Rhode Island law.

1 (i) "Medical assistance cost share arrearage" means any amount due and owing to the
2 department of human services as a result of a Medicaid recipient's failure to pay their cost share
3 obligation, including any amount due for a cost sharing obligation or medical assistance premium
4 obligation, imposed in accordance with Title 40, Chapter 8.4 of the Rhode Island General Laws.

5 (j) "Obligation owed" means the total amount owed by any individual on:

6 (1) Any guaranteed student loan or parent loan for undergraduate students for which [the](#)
7 [Rhode Island division of higher education assistance](#) ~~RIHEAA~~ has had to pay the guarantee, or
8 for which [the Rhode Island division of higher education assistance](#) ~~RIHEAA~~ is acting as agent on
9 behalf of the United States Department of Education or other state cooperating agencies which
10 have had to pay a guarantee,

11 (2) Any contract fee advanced by either [the Rhode Island division of higher education](#)
12 [assistance](#) ~~RIHEAA~~ or the state of Rhode Island on behalf of any individual participating in a
13 health professions educational program for which payment has not been made according to the
14 terms of the contract, and

15 (3) Any amount of scholarship or grant funds which constitutes an over-award, whether
16 due to error or to the submission of false information, and for which repayment has been
17 demanded by the agency, but which has not been paid.

18 (4) Any education loan held by the Rhode Island Student Loan Authority (RISLA) not
19 guaranteed by the [Rhode Island division of higher education assistance](#) ~~RIHEAA~~ or other
20 guarantor.

21 (k) "Past-due support" means the amount of court-ordered child support or maintenance,
22 child medical support or a spousal support order for a custodial parent having custody of a minor
23 child, which is overdue or otherwise in arrears, regardless of whether there is an outstanding
24 judgment for that amount, and whether the order for the support or maintenance has been
25 established by a court or by an administrative process authorized under the laws of any state.

26 (l) "Refund" means the Rhode Island income tax refund which the division of taxation
27 determines to be due to a taxpayer.

28 (m) "Restitution owed" means any amount which has been ordered paid pursuant to a
29 criminal case disposition by a judge of the district, family and superior courts pursuant to chapter
30 19 of title 12, which has not been paid and which has been declared delinquent by the
31 administrative judge of the court making the assessment.

32 **44-30.1-3 Collection of debts by setoff. --** Within a time frame established by the
33 division of taxation, the claimant agency shall supply the information necessary relative to each
34 debtor owing the state money, and further, shall certify the amount of debt or debts owed to the

1 state by each debtor. Upon receiving notice from the claimant agency that a named debtor owes
2 past-due support, delinquent court costs, fines, or restitution or benefit overpayments and interest
3 owed, has obligations owed as described in § 44-30.1-1(g), cash assistance benefit overpayments,
4 medical assistance benefit overpayments, or medical assistance cost share arrearages, the division
5 of taxation shall determine whether any amount, as a refund of taxes paid, is payable to the
6 debtor, regardless of whether the debtor filed an income tax return as a married or unmarried
7 individual. If the division of taxation determines that any refund is payable, the division of
8 taxation shall set off the past-due support, delinquent court costs, fines or restitution or benefit
9 overpayments and interest owed, the obligation owed, cash assistance benefit overpayments,
10 medical assistance benefit overpayments, or medical assistance cost share arrearages, against the
11 debtor's refund and shall reduce the debtor's refund by the amount so determined. The division of
12 taxation shall transfer the amount of past-due support, delinquent court costs, fines or restitution,
13 or benefit overpayments and interest owed, obligation owed, cash assistance benefit
14 overpayments, medical assistance benefit overpayments, or medical assistance cost share
15 arrearages, set off against the debtor's refund to the claimant agency or in the case of the United
16 States Department of Education or other out-of-state agencies, to [the Rhode Island division of](#)
17 [higher education assistance ~~authority \(RIHEAA\)~~](#) as its agent, and in the case of education loans
18 held by the Rhode Island Student Loan Authority (RISLA) for itself or as agent for another out-
19 of-state education loan agency and which education loans are not guaranteed by [the Rhode Island](#)
20 [division of higher education assistance ~~RIHEAA~~](#) or another guarantor, to RISLA. The pendency
21 of judicial proceedings to contest the setoff shall not stay nor delay the setoff and transfer of
22 refunds to the claimant agency. If the amount of the debtor's refund exceeds the amount of the
23 past-due support, delinquent court costs, fines, or restitution or benefit overpayments and interest
24 owed, obligation owed, cash assistance benefit overpayments, medical assistance benefit
25 overpayments, or medical assistance cost share arrearages, the division of taxation shall refund
26 the excess amount to the debtor. If in any instance with regard to the debtor the division of
27 taxation has received notice from more than one claimant agency, the claim by the bureau of
28 child support shall receive first priority, the obligations owed shall have second priority, and the
29 delinquent court costs, fines or restitution shall have third priority, the benefit overpayments and
30 interest owed the fourth priority and the cash assistance benefit overpayments the fifth priority,
31 and medical assistance benefit overpayments, or medical assistance cost share arrearages the sixth
32 priority.

33 **44-30.1-5 Hearing procedures.** -- (a) If the claimant agency receives written application
34 pursuant to § 44-30.1-4(b) contesting the setoff or the delinquent court costs, fines or restitution

1 or the past-due support or benefit overpayments and interest owed or the obligation owed upon
2 which the setoff is based, it shall grant a hearing to the applicant in accordance with chapter 35 of
3 title 42, "Administrative Procedure".

4 (b) Appeals from the administrative decisions made by the claimant agency shall be in
5 accordance with chapter 35 of title 42, "Administrative Procedures". Appeals contesting the setoff
6 of past due support shall be to the family court of Providence County.

7 (c) In those cases where the Rhode Island division of higher education assistance
8 ~~authority (RIHEAA)~~ acts as agent for the United States Department of Education or other out-of-
9 state agencies, the Rhode Island division of higher education assistance ~~RIHEAA~~ must obtain
10 appropriate documentation of the obligation owed such as promissory notes, evidence of
11 guarantees paid and any other items that may be necessary to conduct a fair hearing. The Rhode
12 Island division of higher education assistance ~~RIHEAA~~ as agent for other states shall negotiate
13 appropriate reciprocal agreements with those states for purposes of transferring funds and setting
14 charges for cost of services.

15 (d) In those cases where the Rhode Island Student Loan Authority (RISLA) is the
16 claimant either for itself or as agent for another out-of-state education loan agency, RISLA must
17 obtain appropriate documentation of the obligation owed such as promissory notes, and any other
18 items that may be necessary to conduct a fair hearing. RISLA as agent for other states or agencies
19 shall negotiate appropriate reciprocal agreements with those states and agencies for purposes of
20 transferring funds and setting charges for cost of services.

21 SECTION 22. This article shall take effect as of July 1, 2015.

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ARTICLE 8

RELATING TO MUNICIPALITIES

SECTION 1. Section 24-12-26 of the General Laws in Chapter 24-12 entitled “Rhode Island Turnpike and Bridge Authority” is hereby amended to read as follows:

24-12-26 Power to collect tolls and charges – Gasoline and service concessions. -- (a)

The authority is hereby authorized, subject to the provisions of this chapter, to fix, revise, charge and collect tolls for the use of the Newport Bridge, the Mount Hope Bridge, the turnpike and the different parts or sections thereof, and for the use of any additional facility and the different parts or sections thereof, and to contract with any person, partnership, association or corporation for placing on any project telephone, telegraph, electric light or power lines, gas stations, garages, and restaurants if deemed necessary by the authority in connection with the project, or for the use of any project or part thereof, including the right-of-way adjoining the paved portion of the turnpike or of any additional facility or for any other purposes and to fix the terms, conditions, rents and rates of charges for such use; provided, that the authority shall construct any gasoline service facilities which it may determine are needed on the project, and provided, further, that, to afford users of the project a reasonable choice of motor fuels of different brands, each gasoline service station shall be separately offered for lease upon sealed bids and, after notice of the offer has been published once a week in three (3) consecutive weeks in a newspaper having general circulation in the state, and, in the event an acceptable bid shall be received in the judgment of the authority, each lease shall be awarded to the highest responsible bidder therefor, but no person shall be awarded or have the use of, nor shall motor fuel identified by the trade-marks, trade names, or brands of any one supplier, distributor, or retailer of such fuel be sold at more than one service station if they would constitute more than twenty-five percent (25%) of the service stations on the project. Notwithstanding the provisions of this section, members of the town of Jamestown police and fire department and ambulance service personnel of the town of Jamestown and Jamestown school department who, in the course of their duty, are required to pay a toll for use of the Newport Bridge, shall, upon the presentment of receipts for the payment of the toll to the town of Jamestown, be reimbursed for all charges on an annual basis by the town of Jamestown who in turn shall be reimbursed for all payments made by the state. [The town of Jamestown shall submit a request for reimbursement to the division of municipal finance for the](#)

1 [previous fiscal year \(ending June 30th\) no later than September 30th of the fiscal year following](#)
2 [the fiscal year for which reimbursement is being requested.](#) Notwithstanding the provisions of this
3 section, members of the city of Newport police and fire department and rescue personnel who, in
4 the course of their duty, are required to pay a toll for use of the Newport Bridge, shall, upon the
5 presentment of receipts for the payment of the toll to the city of Newport, be reimbursed for all
6 charges on an annual basis by the city of Newport who in turn shall be reimbursed for all
7 payments made by the state. [The city of Newport shall submit a request for reimbursement to the](#)
8 [division of municipal finance for the previous fiscal year \(ending June 30th\) no later than](#)
9 [September 30th of the fiscal year following the fiscal year for which reimbursement is being](#)
10 [requested.](#)

11 (b) Notwithstanding the provisions of this section, members of the police and fire
12 department and rescue personnel of any city or town in this state who, in the course of their duty,
13 are required to pay a toll for use of the Mount Hope Bridge or the Sakonnet River Bridge, [if any,](#)
14 shall, upon the presentment of receipts for the payment of the toll to their town or city, be
15 reimbursed for all such charges on an annual basis by the town or city, who in turn shall be
16 reimbursed for all payments made by the state. [Any city or town shall submit a request for](#)
17 [reimbursement to the division of municipal finance for the previous fiscal year \(ending June 30th\)](#)
18 [no later than September 30th of the fiscal year following the fiscal year for which reimbursement](#)
19 [is being requested.](#)

20 SECTION 2. Section 45-12-33 of the General Laws in Chapter 45-12 entitled
21 “Indebtedness of Towns and Cities” is hereby amended to read as follows:

22 ~~**45-12-33 Borrowing for road and bridge projects financed through the "municipal**~~
23 ~~**road and bridge revolving fund"**~~ **Borrowing for road and bridge, infrastructure, and school**
24 **building projects.** -- (a) [\(1\)](#) In addition to other authority previously granted, during calendar
25 year 2014 a city or town may authorize the issuance of bonds, notes, or other evidences of
26 indebtedness to evidence loans from the municipal road and bridge revolving fund administered
27 by the Rhode Island clean water finance agency in accordance with chapter 18 of title 24.

28 [\(2\)](#) [In addition to other authority previously granted, from July 1, 2015 to June 30, 2016,](#)
29 [a city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to](#)
30 [evidence loans from the efficient buildings fund administered by the Rhode Island clean water](#)
31 [finance agency infrastructure bank in accordance with chapter 12.2 of title 46 of the general laws](#)
32 [or the school building authority capital fund administered by the Rhode Island health and](#)
33 [educational building corporation in accordance with chapter 38.2 of title 45.](#)

34 (b) These bonds, notes, or other evidences of indebtedness are subject to the maximum

1 aggregate indebtedness permitted to be issued by any city or town under § 45-12-2.

2 (c) The denominations, maturities, interest rates, methods of sale, and other terms,
3 conditions, and details of any bonds or notes issued under the provisions of this section may be
4 fixed by resolution of the city or town council authorizing them, or if no provision is made in the
5 resolution, by the treasurer or other officer authorized to issue the bonds, notes or evidences of
6 indebtedness; provided, that the payment of principal shall be by sufficient annual payments that
7 will extinguish the debt at maturity, the first of these annual payments to be made not later than
8 three (3) years, and the last payment not later than twenty (20) years after the date of the bonds.

9 The bonds, notes, or other evidences of indebtedness may be issued under this section by
10 any political subdivision without obtaining the approval of its electors, notwithstanding the
11 provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the
12 contrary.

13 SECTION 3. This article shall take effect upon passage.

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ARTICLE 9

RELATING TO SCHOOL BUILDING AUTHORITY CAPITAL FUND

SECTION 1. Sections 16-7-41.1 and 16-7-44 of the General Laws in Chapter 16-7 entitled "Foundation Level School Support" are hereby amended to read as follows:

16-7-41.1. Eligibility for reimbursement. -- (a) School districts, not municipalities, may apply for and obtain approval for a project under the necessity of school construction process set forth in the regulations of the board of regents for elementary and secondary education, provided, however, in the case of municipality which issues bonds through the Rhode Island Health and Educational Building Corporation to finance or refinance school facilities for a school district which is not part of the municipality, the municipality may apply for and obtain approval for a project. Such approval will remain valid until June 30 of the third fiscal year following the fiscal year in which the board of regents for elementary and secondary education's approval is granted. Only those projects undertaken at school facilities under the care and control of the school committee and located on school property may qualify for reimbursement under §§ 16-7-35 -- 16-7-47. Facilities with combined school and municipal uses or facilities that are operated jointly with any other profit or non-profit agency do not qualify for reimbursement under §§ 16-7-35 -- 16-7-47. Projects completed by June 30 of a fiscal year are eligible for reimbursement in the following fiscal year. A project for new school housing or additional housing shall be deemed to be completed when the work has been officially accepted by the school committee or when the housing is occupied for its intended use by the school committee, whichever is earlier.

(b) Notwithstanding the provisions of this section, the board of regents shall not grant final approval for any project between June 30, 2011 and May 1, 2015 except for projects that are necessitated by immediate health and safety reasons. In the event that a project is requested during the moratorium because of immediate health and safety reasons, those proposals shall be reported to the chairs of the house and senate finance committees.

(c) Any project approval granted prior to the adoption of the school construction regulations in 2007, and which are currently inactive; and any project approval granted prior to the adoption of the school construction regulations in 2007 which did not receive voter approval or which has not been previously financed, are no longer eligible for reimbursement under this chapter. The department of elementary and secondary education shall develop recommendations

1 for further cost containment strategies in the school housing aid program.

2 [\(d\) Beginning July 1, 2015, the council on elementary and secondary education shall](#)
3 [approve new necessity of school construction applications on an annual basis. The department of](#)
4 [elementary and secondary education shall develop an annual application timeline for LEAs](#)
5 [seeking new necessity of school construction approvals.](#)

6 **16-7-44. School housing project costs.** – School housing project costs, the date of
7 completion of school housing projects, and the applicable amount of school housing project cost
8 commitments shall be in accordance with the regulations of the commissioner of elementary and
9 secondary education and the provisions of §§ 16-7-35 – 16-7-47; provided, however, that school
10 housing project costs shall include the purchase of sites, buildings, and equipment, the
11 construction of buildings, and additions or renovations of existing buildings and/or facilities.
12 School housing project costs shall include the cost of interest payment on any bond issued after
13 July 1, 1988, provided that such bond is approved by the voters on or before June 30, 2003 or
14 issued by a municipal public building authority or by the appropriate approving authority on or
15 before June 30, 2003. Except as provided in subsection 16-7-41(d), those projects approved after
16 June 30, 2003, interest payments may only be included in project costs provided that the bonds
17 for these projects are issued through the Rhode Island Health, Education and Building
18 Corporation. School housing project costs shall exclude: (1) any bond issuance costs incurred by
19 the municipality or regional school district; (2) demolition costs for buildings, facilities, or sites
20 deemed surplus by the school committee; and (3) restrictions pursuant to § 16-7-44.1 below. A
21 building, facility, or site is declared surplus by a school committee when the committee no longer
22 has such building, facility, or site under its direct care and control and transfers control to the
23 municipality, § 16-2-15. The board of regents for elementary and secondary education will
24 promulgate rules and regulations for the administration of this section. These rules and
25 regulations may provide for the use of lease revenue bonds, capital leases, or capital reserve
26 funding, to finance school housing provided that the term of any bond, or capital lease shall not
27 be longer than the useful life of the project and these instruments are subject to the public review
28 and voter approval otherwise required by law for the issuance of bonds or capital leases. Cities or
29 towns issuing bonds, or leases issued by municipal public buildings authority for the benefit of a
30 local community pursuant to chapter 50 of title 45 shall not require voter approval. Effective
31 January 1, 2008, and except for interim finance mechanisms, refunding bonds, [borrowing from](#)
32 [the school building authority capital fund](#), and bonds issued by the Rhode Island Health and
33 Educational Building Corporation to finance school housing projects for towns, cities, or regional
34 school districts borrowing for which has previously been authorized by an enabling act of the

1 general assembly, all bonds, notes and other forms of indebtedness issued in support of school
2 housing projects shall require passage of an enabling act by the general assembly.

3 SECTION 2. Title 16 of the General Laws entitled "EDUCATION" is hereby amended
4 by adding thereto the following chapter:

5 CHAPTER 105

6 SCHOOL BUILDING AUTHORITY

7 **16-105-1. Legislative findings.** – (a) The state of Rhode Island is committed to providing
8 high quality educational opportunities for all public school students.

9 (b) School facilities provide more than a place for instruction. The physical learning
10 environment contributes to the successful performance of educational programs designed to meet
11 students' educational needs.

12 (c) Every student needs a safe, healthy, and sanitary learning environment that promotes
13 student learning and development.

14 (d) School construction policies should encourage districts to reduce excess capacity
15 through means such as partnering with other districts, closing buildings, and altering grade
16 configurations in certain buildings to maximize the use of square feet.

17 (e) In order to maximize limited state resources, the project prioritization process should
18 focus on projects with the most urgent and immediate need.

19 (f) State funded school construction project financing should transition from a system that
20 largely reimburses local debt service to one that provides a set amount of financing annually, to
21 provide greater stability from a budgetary perspective while guiding limited resources to best use.

22 **16-105-2. School building authority established.** -- The general assembly hereby
23 designates the department of elementary and secondary education as the state's school building
24 authority with the responsibility to implement a system of state funding for school facilities
25 designed to:

26 (1) Promote adequate school housing for all public school children in the state, and

27 (2) Prevent the cost of school housing from interfering with the effective operation of the
28 schools.

29 **16-105-3. Roles and responsibilities.** -- The school building authority roles and
30 responsibilities shall include:

31 (1) Management of a system with the goal of assuring equitable and adequate school
32 housing for all public school children in the state;

33 (2) Prevention of the cost of school housing from interfering with the effective operation
34 of the schools;

- 1 (3) Management of school housing aid in accordance with statute;
- 2 (4) Reviewing and making recommendations to the council on elementary and secondary
3 education on necessity of school construction applications for state school housing aid from the
4 school building authority capital fund, based on the recommendations of the school building
5 authority advisory board;
- 6 (5) Managing and maintaining school construction regulations, standards, and guidelines
7 applicable to the school housing program, based on the recommendations of the school building
8 authority advisory board, created in § 16-105-8;
- 9 (6) Providing technical advice and assistance, training and education to cities, towns,
10 and/or LEAs and to general contractors, subcontractors, construction or project managers,
11 designers and others in planning, maintenance and establishment of school facility space;
- 12 (7) Developing a project priority system, based on the recommendations of the school
13 building authority advisory board, in accordance with school construction regulations for the state
14 school housing aid set forth in §§ 16-7-35 to 16-7-47 and the school building authority capital
15 fund, subject to review and if necessary to be revised on intervals not to exceed five (5) years.
16 Project priorities shall be in accordance with, but not limited to, the following order of priorities:
- 17 (i) Projects to replace or renovate a building which is structurally unsound or otherwise in
18 a condition seriously jeopardizing the health and safety of school children, where no alternative
19 exists;
- 20 (ii) Projects needed to prevent loss of accreditation;
- 21 (iii) Projects needed for the replacement, renovation or modernization of the HVAC
22 system in any schoolhouse to increase energy conservation and decrease energy related costs in
23 said schoolhouse;
- 24 (iv) Projects needed to replace or add to obsolete buildings in order to provide for a full
25 range of programs consistent with state and approved local requirements; and
- 26 (v) Projects needed to comply with mandatory instructional programs.
- 27 (8) Maintaining a current list of requested school projects and the priority given them;
- 28 (9) Collecting and maintaining readily available data on all the public school facilities in
29 the state;
- 30 (10) Recommending policies and procedures designed to reduce borrowing for school
31 construction programs at both state and local levels;
- 32 (11) At least every five (5) years, conducting a needs survey to ascertain the capital
33 construction, reconstruction, maintenance and other capital needs for schools in each district of
34 the state including public charter schools;

1 (12) Developing a formal enrollment projection model or using projection models already
2 available;

3 (13) Encouraging local education agencies to investigate opportunities for the maximum
4 utilization of space in and around the district;

5 (14) Collecting and maintaining a clearinghouse of prototypical school plans which may
6 be consulted by eligible applicants;

7 (15) By regulation, offering additional incentive points to the school housing aid ratio
8 calculation set forth in § 16-7-39, as the authority, based upon the recommendation of the
9 advisory board, determines will promote the purposes of this chapter. Said regulations may
10 delineate the type and amounts of any such incentive percentage points; provided, however, that
11 no individual category of incentive points shall exceed two (2) additional points; and provided
12 further, that no district shall receive a combined total of more than five (5) incentive percentage
13 points. Such incentive points may be awarded for a district's use of highly efficient construction
14 delivery methods; regionalization with other districts; superior maintenance practices of a district;
15 energy efficient and sustainable design and construction; the use of model schools as adopted by
16 the authority; and other incentives as recommended by the advisory board and determined by the
17 authority to encourage the most cost-effective and quality construction. Notwithstanding any
18 provision of the general laws to the contrary, the reimbursement or aid received under this chapter
19 or § 45-38.2 shall not exceed one hundred percent (100%) of the sum of the total project costs
20 plus interest costs.

21 **16-105-4. Funding mechanisms for school facilities.** -- The school building authority,
22 within the department shall oversee and manage two distinct funding mechanisms for school
23 facilities: the foundation program for school housing, as set forth in §§ 16-7-35 to 16-7-47, and
24 the school building authority capital fund, as set forth at chapter 38.2 of title 45. The school
25 building authority shall determine the necessity of school construction, establish standards for
26 design and construction of school buildings, ensure that districts have adequate asset protection
27 plans in place to maintain their school facilities, make recommendations to the council on
28 elementary and secondary education for approval of projects for school housing aid
29 reimbursement and establish a project priority list for projects funded by the school building
30 authority capital fund and school housing aid set forth in §§ 16-7-35 to 16-7-47 that shall apply to
31 any projects submitted or reviewed on or after May 1, 2015.

32 **16-105-5. Procedure for school building authority capital fund project approval.** --
33 (a) The department of elementary and secondary education shall promulgate rules and regulations
34 that establish the process through which a city, town, or LEA may submit an application for

1 school building authority capital funding. The department may also prescribe, without limitation,
2 forms for financial assistance applications. All rules and regulations promulgated pursuant to this
3 chapter shall be promulgated in accordance with the provisions of § 42-35-2.2, and shall apply to
4 any projects submitted or reviewed on or after May 1, 2015.

5 (b) As part of the budget process, the governor shall specify the amount included in
6 his/her budget recommendation that the school building authority may commit to new projects in
7 the ensuing fiscal year, as well as any funding pursuant to § 16-105-7. Subsequently, the general
8 assembly shall authorize the maximum amount that the school building authority may commit to
9 new projects in the ensuing fiscal year.

10 (c) Each LEA shall develop, implement, and maintain a comprehensive asset protection
11 plan for every school building, not only buildings for which housing aid or school building
12 authority capital funds are sought or received. Only LEAs that have adequate asset protection
13 plans in place to maintain their school facilities are eligible for funding from the school building
14 authority capital fund. LEAs must annually provide asset protection information to the
15 department of elementary and secondary education. If an LEA fails to provide asset protection
16 information in a fiscal year, they are not eligible to receive school building authority capital funds
17 the next fiscal year.

18 (d) Upon issuance of the project priority list, the Rhode Island health and educational
19 building corporation shall award financial assistance to cities, towns, and LEAs for approved
20 projects. The corporation may decline to award financial assistance to an approved project which
21 the corporation determines will have a substantial adverse effect on the interests of holders of
22 bonds or other indebtedness of the corporation or the interests of other participants in the
23 financial assistance program, or for good and sufficient cause affecting the finances of the
24 corporation. All financial assistance shall be made pursuant to a loan or financing agreement
25 between the corporation and the city, town or LEA, acting by and through the officer or officers,
26 board, committee, or other body authorized by law, or otherwise its chief executive officer,
27 according to terms and conditions as determined by the corporation, and each loan shall be
28 evidenced and secured by the issue to the corporation of city or town obligations in principal
29 amount, bearing interest at the rate or rates specified in the applicable loan or financing
30 agreement, and shall otherwise bear such terms and conditions as authorized by this chapter
31 and/or the loan or financing agreement.

32 **16-105-6. Inspection of approved projects. --** For any approved project, the school
33 building authority shall have the authority to inspect the construction and operation thereof to
34 ensure compliance with the provisions of this chapter.

1 **16-105-7. Expenses incurred by the department.** -- In order to provide for one-time or
2 limited expenses of the department of elementary and secondary education under this chapter, the
3 corporation shall provide funding from the school building authority capital fund. The school
4 building authority shall, by October 1 of each year, report to the governor and the chairs of the
5 senate and house finance committees, the senate fiscal advisor and the house fiscal advisor the
6 amount sought for expenses for the next fiscal year.

7 **16-105-8. School building authority advisory board established.** -- (a) There is hereby
8 established a school building authority advisory board that shall advise the school building
9 authority regarding the best use of the school building authority capital fund, including the setting
10 of statewide priorities, criteria for project approval, and recommendations for project approval
11 and prioritization.

12 (b) The school building authority advisory board shall consist of seven (7) members as
13 follows:

14 (1) The general treasurer;

15 (2) The director of the department of administration, who shall serve as chair;

16 (3) A member of the governor's staff, as designated by the governor

17 (4) Four (4) members of the public, appointed by the governor, and who serve at the
18 pleasure of the governor, each of whom shall have expertise in education and/or construction, real
19 estate, or finance. At least one of these four members shall represent a local education agency.

20 (c) In addition to the purposes in subsection (a), the school building authority advisory
21 board shall advise the school building authority on, including but not limited to, the following:

22 (1) The project priorities for the school building authority capital fund;

23 (2) Legislation as it may deem desirable or necessary related to the school building
24 authority capital fund and the school housing aid program set forth in §§ 16-7-35 to 16-7-47;

25 (3) Policies and procedures designed to reduce borrowing for school construction
26 programs at both state and local levels;

27 (4) Development of a formal enrollment projection model or consideration of using
28 projection models already available;

29 (5) Processes and procedures necessary to apply for, receive, administer, and comply
30 with the conditions and requirements respecting any grant, gift or appropriation of property,
31 services or moneys;

32 (6) The collection and maintenance of a clearinghouse of prototypical school plans which
33 may be consulted by eligible applicants and recommend incentives to utilize these prototypes;

34 (7) The determination of eligible cost components of projects for funding or

1 reimbursement, including partial or full eligibility for project components for which the benefit is
2 shared between the school and other municipal and community entities;

3 (8) Development of a long term capital plan in accordance with needs and projected
4 funding;

5 (9) Collection and maintenance of data on all the public school facilities in the state,
6 including information on size, usage, enrollment, available facility space and maintenance;

7 (10) Advising districts on the conduct of a needs survey to ascertain the capital
8 construction, reconstruction, maintenance and other capital needs for schools across the state;

9 (12) The recommendation of policies, rules and regulations that move the state toward a
10 pay-as-you-go funding system for school construction programs; and

11 (13) Encouraging local education agencies to investigate opportunities for the maximum
12 utilization of space in and around the district.

13 **16-105-9. Severability. --** If any provision of this chapter or the application of this
14 chapter to any person or circumstances is held invalid, the invalidity shall not affect other
15 provisions or applications of the chapter, which can be given effect without the invalid provision
16 or application, and to this end the provisions of this chapter are declared to be severable.

17 SECTION 3. Sections 45-38.1-4 and 45-38.1-17 of the General Laws in Chapter 45-38.1
18 entitled "Health and Education Building Corporation" are hereby amended to read as follows:

19 **45-38.1-4. Corporation established.** – (a) There is hereby created a public body
20 corporate and corporation of the state to be known as the "Rhode Island health and educational
21 building corporation" as successor to the Rhode Island educational building corporation,
22 previously created as a nonbusiness corporation under and pursuant to chapter 6 of title 7, as
23 amended by chapter 121 of the Public Laws of 1966, and constituted and established as a public
24 body corporate and corporation of the state for the exercising of the powers conferred on the
25 corporation under and pursuant to §§ 45-38.1-1 – 45-38.1-24.

26 (b) All of the powers of the corporation are vested in the board of directors of the
27 corporation elected at the first meeting of the incorporators of the Rhode Island educational
28 building corporation, and the members of the board shall continue to serve for the duration of the
29 terms for which they were originally elected. Successors to the members of the board of directors
30 shall be appointed by the governor, as follows: prior to the month of June in each year,
31 commencing in the year 1968, the governor shall appoint a member to serve on the board of
32 directors for a term of five (5) years to succeed the member whose term will expire in June of that
33 year. In the event of a vacancy occurring in the membership of the board of directors, the
34 governor shall appoint a new member of the board of directors for the unexpired term. Any

1 member of the board of directors is eligible for reappointment.

2 (c) Each member of the board of directors, before entering upon his or her duties, shall
3 take an oath to administer the duties of his or her office faithfully and impartially, and the oath
4 shall be filed in the office of the secretary of state.

5 (d) The board of directors shall ~~select two (2) of its members as chairperson and vice~~
6 ~~chairperson, and also elect a secretary, assistant secretary, treasurer, and assistant treasurer, who~~
7 ~~need not be members of the board. Three (3) members of the board of directors of the corporation~~
8 ~~shall constitute a quorum, and the affirmative vote of the majority of the directors present and~~
9 ~~entitled to vote at any regular or special meeting at which a quorum is present, is necessary for~~
10 ~~any action to be taken by the corporation; except, however, that the affirmative vote of three (3)~~
11 ~~members of the board of directors is necessary for the election of officers of the corporation and~~
12 ~~to amend the bylaws of the corporation. No vacancy in the membership of the board of directors~~
13 ~~of the corporation impairs the right of a quorum to exercise all the powers of and perform the~~
14 ~~duties of the corporation.~~ consist of seven (7) members appointed by the governor. Board
15 members appointed and qualified prior to July 1, 2015 may continue to serve to the completion of
16 their designated terms and until such time as their successors are appointed and qualified. No
17 member appointed or reappointed after July 1, 2015 shall serve more than two (2) five (5)-year
18 terms. The governor shall select a chairperson and vice chairperson from the appointed members.

19 (e) Any action taken by the corporation under the provisions of this chapter may be
20 authorized by resolution at any regular or special meeting, and each resolution takes effect
21 immediately and need not be published or posted.

22 (f) The members of the board of directors shall receive compensation at the rate of fifty
23 dollars (\$50.00) per meeting attended; however, the compensation shall not exceed one thousand
24 five hundred dollars (\$1,500) per fiscal year per member until June 30, 2015. Effective July 1,
25 2015, the members of the board shall not receive any compensation for their service on the board.

26 (g) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict
27 of interest for a trustee, director, officer, or employee of an institution for higher education or a
28 health care provider to serve as a member of the board of directors of the corporation; provided,
29 that the trustee, director, officer, or employee abstains from deliberation, action and vote by the
30 board under this chapter in specific respect to the institution for higher education or the health
31 care provider of which the member is a trustee, director, officer, or employee.

32 (h) The board and corporation shall comply with provisions of chapter 155 of title 42, the
33 quasi-public corporations accountability and transparency act.

34 **45-38.1-17. Annual report and audit.** -- Within four (4) months after the close of each

1 fiscal year of the corporation, it shall make a report to the governor, the speaker of the house, the
2 president of the senate and the secretary of state of its activities for the preceding fiscal year, and
3 the report shall present a complete operating and financial statement covering the corporation's
4 operations during the preceding fiscal year. In addition the report shall provide a summary of the
5 applications received and approved loans or aid provided to the communities and a summary of
6 the status of loans and status of the school building authority capital fund. The corporation shall
7 cause an audit of its books and accounts to be made at least once each fiscal year by certified
8 public accountants, and the cost of the audit shall be paid by the corporation from funds available
9 to it pursuant to this chapter. The report shall be posted as prescribed in § 42-20-8.2. The director
10 of the department of administration shall be responsible for the enforcement of this provision.

11 SECTION 4. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
12 amended by adding thereto the following chapter:

13 CHAPTER 45-38.2

14 SCHOOL BUILDING AUTHORITY CAPITAL FUND

15 **45-38.2-1. Definitions.** – As used in this chapter, the following terms, unless the context
16 requires a different interpretation, shall have the following meanings:

17 (1) "Application" means a project proposed by a city, town, or LEA that would make
18 capital improvements to public school facilities consistent with project evaluation criteria and
19 chapter 41.1 of title 16-7;

20 (2) "Approved project" means any project approved for financial assistance by the
21 Council on Elementary and Secondary Education;

22 (3) "Corporation" means the Rhode Island health and educational building corporation as
23 set forth in chapter 38.1 of title;

24 (4) "Department" means the department of elementary and secondary education as
25 established under title 16;

26 (5) "Eligible project" means an application, or a portion of an application, that meets the
27 project evaluation criteria and approved by the council on elementary and secondary education;

28 (6) "Financial assistance" means any form of financial assistance provided by the
29 corporation to a city, town, or LEA in accordance with this chapter for all or any part of the cost
30 of an approved project, including, without limitation, loans, guarantees, insurance, subsidies for
31 the payment of debt service on loans, lines of credit, and similar forms of financial assistance;

32 (7) "Fund" means the school building authority capital fund;

33 (8) "LEA" means a local education agency, a public board of education, school
34 committee or other public authority legally constituted within the state for administrative control

1 or direction of one or more Rhode Island public elementary or secondary schools;

2 (9) "Market rate" means the rate the city, town, or LEA would receive on the open market
3 at the time of the original loan agreement as determined by the corporation in accordance with its
4 rules and regulations;

5 (10) "Project evaluation criteria" means the criteria used by the school building authority
6 to evaluate applications and rank eligible projects;

7 (11) "Project priority list" means the list of eligible projects approved by the council on
8 elementary and secondary education ranked in the order in which financial assistance shall be
9 awarded by the corporation; and

10 (12) "Subsidy assistance" means the credit enhancements and other measures to reduce
11 the borrowing costs for a city, town, or LEA.

12 **45-38.2-2. School building authority capital fund.** -- (a) There is hereby established a
13 school building authority capital fund. The corporation shall establish and set up on its books the
14 fund, to be held in trust and to be administered by the corporation as provided in this chapter.
15 This fund shall be in addition to the annual appropriation for committed expenses related to the
16 repayment of housing aid commitments. The corporation shall deposit the following monies into
17 the fund:

18 (1) The difference between the annual housing aid appropriation and housing aid
19 commitment amounts appropriated or designated to the corporation by the state for the purposes
20 of the foundation program for school housing;

21 (2) Loan repayments, bond refinance interest savings, and other payments received by the
22 corporation pursuant to loan or financing agreements with cities, towns, or LEAs executed in
23 accordance with this chapter;

24 (3) Investment earnings on amounts credited to the fund;

25 (4) Proceeds of bonds of the corporation issued in connection with this chapter to the
26 extent required by any trust agreement for such bonds;

27 (5) Administrative fees levied by the corporation, with respect to financial assistance
28 rendered under this chapter and specified in § 45-38.2-3(a)(4), less operating expenses;

29 (6) Other amounts required by provisions of this chapter or agreement, or any other law
30 or any trust agreement pertaining to bonds to be credited to the fund; and

31 (7) Any other funds permitted by law which the corporation in its discretion shall
32 determine to credit thereto.

33 (b) The corporation shall establish and maintain fiscal controls and accounting
34 procedures conforming to generally accepted government accounting standards sufficient to

1 ensure proper accounting for receipts in and disbursements from the school building authority
2 capital fund.

3 (c) The school building authority shall establish and maintain internal controls to ensure
4 that LEAs are providing adequate asset protection plans, all LEAs have equal access and
5 opportunity to address facility improvements on a priority basis, and to ensure that funding from
6 the school building authority capital fund has the greatest impact on facility gaps in state priority
7 areas. The school building authority will also manage necessity of school construction approvals
8 in accordance with the funding levels set forth by the general assembly.

9 **45-38.2-3. Administration. --** (a) The corporation shall have all the powers necessary or
10 incidental to carry out and effectuate the purposes and provisions of this chapter including:

11 (1) To receive and disburse such funds from the state as may be available for the purpose
12 of the fund subject to the provisions of this chapter;

13 (2) To make and enter into binding commitments to provide financial assistance to cities,
14 towns and LEAs from amounts on deposit in the fund;

15 (3) To enter into binding commitments to provide subsidy assistance for loans and city,
16 town, and LEA obligations from amounts on deposit in the fund;

17 (4) To levy administrative fees on cities, towns, and LEAs as necessary to effectuate the
18 provisions of this chapter; provided the fees have been previously authorized by an agreement
19 between the corporation and the city, town, or LEA;

20 (5) To engage the services of third-party vendors to provide professional services;

21 (6) To establish one or more accounts within the fund; and

22 (7) Such other authority as granted to the corporation under chapter 38.1 of title 45.

23 (b) Subject to the provisions of this chapter, and to any agreements with the holders of
24 any bonds of the corporation or any trustee therefor, amounts held by the corporation for the
25 account of the fund shall be applied by the corporation, either by direct expenditure,
26 disbursement, or transfer to one or more other funds and accounts held by the corporation or a
27 trustee under a trust agreement or trust indenture entered into by the corporation with respect to
28 bonds or notes issued by the corporation under this chapter or by a holder of bonds or notes
29 issued by the corporation under this chapter, either alone or with other funds of the corporation, to
30 the following purposes:

31 (1) To provide financial assistance to cities, towns and LEAs to finance costs of approved
32 projects, and to refinance the costs of the projects, subject to such terms and conditions, if any, as
33 are determined by the department and/or the corporation;

34 (2) To fund reserves for bonds of the corporation and to purchase insurance and pay the

1 premiums therefor, and pay fees and expenses of letters or lines of credit and costs of
2 reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to
3 otherwise provide security for, and a source of payment for obligations of the corporation, by
4 pledge, lien, assignment, or otherwise as provided in chapter 38.1 of title 45;

5 (3) To pay or provide for subsidy assistance as determined by the school building
6 authority;

7 (4) To provide a reserve for, or to otherwise secure, amounts payable by cities, towns,
8 and LEAs on loans and city, town, and LEA obligations outstanding in the event of default
9 thereof; amounts in any account in the fund may be applied to defaults on loans outstanding to the
10 city, town, or LEA for which the account was established and, on a parity basis with all other
11 accounts, to defaults on any loans or city, town, or LEA obligations outstanding; and

12 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
13 otherwise as provided in chapter 38.1 of title 45, any bonds or notes of the corporation issued
14 under this chapter.

15 (c) The repayment obligations of the city, town, or LEA for loans shall be in accordance
16 with its eligibility for state aid for school housing as set forth in §§ 16-7-39, 16-77.1-5, and 16-
17 105-3(16).

18 (d) In addition to other remedies of the corporation under any loan or financing
19 agreement or otherwise provided by law, the corporation may also recover from a city, town or
20 LEA, in an action in superior court, any amount due the corporation together with any other
21 actual damages the corporation shall have sustained from the failure or refusal of the city, town,
22 or LEA to make the payments or abide by the terms of the loan or financing agreement.

23 **45-38.2-4. Payment of state funds.--** (a) Subject to the provisions of subsection (b),
24 upon the written request of the corporation, the general treasurer shall pay to the corporation,
25 from time to time, from the proceeds of any bonds or notes issued by the state for the purposes of
26 this chapter or funds otherwise lawfully payable to the corporation for the purposes of this
27 chapter, such amounts as shall have been appropriated or lawfully designated for the fund. All
28 amounts so paid shall be credited to the fund in addition to any other amounts credited or
29 expected to be credited to the fund.

30 (b) The corporation and the state may enter into, execute, and deliver one or more
31 agreements setting forth or otherwise determining the terms, conditions, and procedures for, and
32 the amount, time, and manner of payment of, all amounts available from the state to the
33 corporation under this section.

34 (c) Notwithstanding city charter provisions to the contrary, up to five hundred thousand

1 dollars (\$500,000) may be loaned to a city or town for the LEA's share of total project costs
2 without the requirement of voter approval.

3 (d) Notwithstanding any provision to the contrary, the term of any bond, capital lease or
4 other financing instrument shall not exceed the useful life of the project being financed.

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

ARTICLE 10

RELATING TO MAKING REVISED APPROPRIATIONS IN 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.

	FY 2015	FY 2015	FY 2015
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
Administration			
<i>Central Management</i>			
General Revenues	1,594,772	1,000,654	2,595,426
Office of Digital Excellence	908,192	(262,207)	645,985
Total - Central Management	2,502,964	738,447	3,241,411
<i>Legal Services</i> General Revenues	2,039,872	103,304	2,143,176
<i>Accounts and Control</i> General Revenues	3,973,748	(147,430)	3,826,318
<i>Office of Management and Budget</i>			
General Revenues	4,018,136	179,271	4,197,407
Restricted Receipts	61,374	(8,093)	53,281
Total – Office of Management and Budget	4,079,510	171,178	4,250,688
<i>Purchasing</i>			
General Revenues	2,670,956	(90,799)	2,580,157
Other Funds	308,496	8,885	317,381
Total – Purchasing	2,979,452	(81,914)	2,897,538
<i>Auditing</i> General Revenues	1,434,565	(42,649)	1,391,916
<i>Human Resources</i>			

1	General Revenues	7,830,548	(381,033)	7,449,515
2	Federal Funds	766,793	(37,988)	728,805
3	Restricted Receipts	461,639	(25,082)	436,557
4	Other Funds	1,547,079	(39,789)	1,507,290
5	Total - Human Resources	10,606,059	(483,892)	10,122,167
6	<i>Personnel Appeal Board</i> General Revenues	75,216	43,855	119,071
7	<i>Facilities Management</i>			
8	General Revenues	30,790,738	2,652,228	33,442,966
9	Federal Funds	1,155,237	53,867	1,209,104
10	Restricted Receipts	462,262	(81,243)	381,019
11	Other Funds	3,322,025	610,197	3,932,222
12	Total – Facilities Management	35,730,262	3,235,049	38,965,311
13	<i>Capital Projects and Property Management</i>			
14	General Revenues	1,252,875	15,920	1,268,795
15	<i>Information Technology</i>			
16	General Revenues	19,377,273	107,353	19,484,626
17	Federal Funds	6,631,482	(84,845)	6,546,637
18	Restricted Receipts	4,099,027	10,978,190	15,077,217
19	Other Funds	3,701,511	(969,907)	2,731,604
20	Total – Information Technology	33,809,293	10,030,791	43,840,084
21	<i>Library and Information Services</i>			
22	General Revenues	881,464	(4,094)	877,370
23	Federal Funds	1,184,567	74,427	1,258,994
24	Restricted Receipts	653	(473)	180
25	Total - Library and Information Services	2,066,684	69,860	2,136,544
26	<i>Planning</i>			
27	General Revenues	1,922,778	18,586	1,941,364
28	Federal Funds	12,561,957	6,730,727	19,292,684
29	Restricted Receipts	3,400,000	0	3,400,000
30	Other Funds			
31	Federal Highway – PL Systems Planning	2,984,304	386,416	3,370,720
32	Air Quality Modeling	22,875	0	22,875
33	Total - Planning	20,891,914	7,135,729	28,027,643
34	<i>General</i>			

1	General Revenues			
2	Rhode Island Commerce Corporation	5,543,064	(136,422)	5,406,642
3	RICC – Airport Impact Aid	1,025,000	0	1,025,000
4	Sixty percent (60%) of the first one million dollars (\$1,000,000) appropriated for airport impact			
5	aid shall be distributed to each airport serving more than one million (1,000,000) passengers			
6	based upon its percentage of the total passengers served by all airports serving more than			
7	1,000,000 passengers. Forty percent (40%) of the first one million dollars (\$1,000,000) shall be			
8	distributed based on the share of landings during the calendar year 2014 at North Central Airport,			
9	Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport and			
10	Westerly Airport, respectively. The Rhode Island Commerce Corporation shall make an impact			
11	payment to the towns or cities in which the airport is located based on this calculation. Each			
12	community upon which any parts of the above airports are located shall receive at least twenty-			
13	five thousand dollars (\$25,000).			
14	RICC – EPScore (Research Alliance)	1,150,000	0	1,150,000
15	Innovative Matching Grants	500,000	0	500,000
16	Miscellaneous Grants/Payments	146,049	0	146,049
17	Slater Centers of Excellence	150,000	(150,000)	0
18	Torts – Courts/Awards	400,000	0	400,000
19	Current Care/Health Information Exchange	225,000	0	225,000
20	I-195 Commission	301,000	615,901	916,901
21	RI Film and Television Office	310,312	8,410	318,722
22	State Employees/Teachers Retiree Health			
23	Subsidy	2,321,057	0	2,321,057
24	Resource Sharing and State Library Aid	8,773,398	0	8,773,398
25	Chafee Center at Bryant	0	376,200	376,200
26	Library Construction Aid	2,331,589	0	2,331,589
27	Federal Funds	4,345,555	0	4,345,555
28	Restricted Receipts	421,500	0	421,500
29	Other Funds			
30	Rhode Island Capital Plan Funds			
31	Statehouse Renovations	3,000,000	(2,615,000)	385,000
32	DoIT Enterprise Operations Center	250,000	50,000	300,000
33	Cranston Street Armory	2,000,000	(1,050,000)	950,000
34	Cannon Building	440,000	(75,000)	365,000

1	Zambarano Building Rehabilitation	500,000	610,000	1,110,000
2	Pastore Center Rehab DOA Portion	3,150,000	(350,000)	2,800,000
3	Old State House	1,445,000	175,000	1,620,000
4	State Office Building	1,700,000	(1,273,000)	427,000
5	Old Colony House	100,000	78,472	178,472
6	William Powers Building	1,475,000	1,025,000	2,500,000
7	Fire Code Compliance State Buildings	500,000	(500,000)	0
8	Pastore Center Fire Code Compliance	1,300,000	(1,300,000)	0
9	Pastore Center Utility Systems Upgrade	2,600,000	(1,803,002)	796,998
10	Replacement of Fueling Tanks	300,000	162,000	462,000
11	Environmental Compliance	200,000	0	200,000
12	Big River Management Area	120,000	0	120,000
13	Pastore Center Building Demolition	1,000,000	329,155	1,329,155
14	Washington County Government Center	225,000	85,000	310,000
15	Chapin Health Laboratory	1,250,000	(1,250,000)	0
16	Pastore Center Parking	890,000	402,015	1,292,015
17	Pastore Center Water Tanks	250,000	166,400	416,400
18	Pastore Cottages Rehabilitation	800,000	1,200,000	2,000,000
19	Ladd Center Building Demolition	2,100,000	(780,000)	1,320,000
20	I-195 Commission	250,000	55,000	305,000
21	RI Convention Center Authority	1,000,000	109,716	1,109,716
22	Dunkin Donuts Center	1,387,500	(1,071,580)	315,920
23	Mathias	800,000	(480,000)	320,000
24	Pastore Center Power Plant	194,723	380,277	575,000
25	Harrington Hall Renovations	1,400,000	(462,580)	937,420
26	McCoy Stadium	150,000	0	150,000
27	Veterans Memorial Auditorium	1,370,099	(142,975)	1,227,124
28	Virks Building Renovations	400,000	119,475	519,475
29	Veterans Land Purchase	0	744,256	744,256
30	Zambarano Wood Chip Boiler	0	32,838	32,838
31	Statehouse Energy Management Improvements	0	477,000	477,000
32	Total – General	60,490,846	(6,237,444)	54,253,402
33	Debt Service Payments			
34	General Revenues	168,055,031	(26,149,941)	141,905,090

1 Of the general revenue appropriation for debt service, the General Treasurer is authorized to
 2 make payments for the I-195 Redevelopment District Commission loan up to the maximum debt
 3 service due in accordance with the loan agreement.

4	Federal Funds	2,667,399	0	2,667,399
5	Restricted Receipts	21,339,305	(19,250,001)	2,089,304
6	Other Funds			
7	Transportation Debt Service	26,828,667	19,352,125	46,180,792
8	Investment Receipts – Bond Funds	100,000	0	100,000
9	COPS - DLT Building – TDI	271,653	0	271,653
10	Total - Debt Service Payments	219,262,055	(26,047,817)	193,214,238

11 *Energy Resources*

12	Federal Funds	524,775	91,668	616,443
13	Restricted Receipts	5,215,426	5,007,354	10,222,780
14	Total – Energy Resources	5,740,201	5,099,022	10,839,223

15 *Rhode Island Health Benefits Exchange*

16	Federal Funds	23,433,222	29,068,828	52,502,050
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17 *Construction Permitting, Approvals and Licensing*

18	General Revenues	1,483,525	(58,897)	1,424,628
19	Restricted Receipts	1,339,903	8,301	1,348,204
20	Total – Construction Permitting,			
21	Approvals and Licensing	2,823,428	(50,596)	2,772,832

22 *Office of Diversity, Equity, and Opportunity*

23	General Revenues	777,197	111,742	888,939
24	Federal Funds	82,284	2,987	85,271
25	Total – Office of Diversity, Equity			
26	and Opportunity	859,481	114,729	974,210

27 *Statewide Personnel Adjustments*

28	General Revenues	(3,420,118)	3,420,118	0
29	Federal Funds	(1,859,816)	1,859,816	0
30	Restricted Receipts	(402,343)	402,343	0
31	Other Funds	(2,603,414)	2,603,414	0
32	Total – Statewide Personnel Adjustments	(8,285,691)	8,285,691	0

33	Grand Total – Administration	425,765,956	31,020,661	456,786,617
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34 **Business Regulation**

1	<i>Central Management</i> General Revenues	1,234,949	(45,426)	1,189,523
2	<i>Banking Regulation</i>			
3	General Revenues	1,514,260	109,194	1,623,454
4	Restricted Receipts	50,000	(13,000)	37,000
5	Total – Banking Regulation	1,564,260	96,194	1,660,454
6	<i>Securities Regulation</i>			
7	General Revenues	1,009,651	(83,390)	926,261
8	Restricted Receipts	3,500	0	3,500
9	Total - Securities Regulation	1,013,151	(83,390)	929,761
10	<i>Insurance Regulation</i>			
11	General Revenues	3,883,238	(109,780)	3,773,458
12	Restricted Receipts	1,294,012	554,301	1,848,313
13	Total - Insurance Regulation	5,177,250	444,521	5,621,771
14	<i>Office of the Health Insurance Commissioner</i>			
15	General Revenues	507,142	(45,228)	461,914
16	Federal Funds	2,021,830	447,678	2,469,508
17	Restricted Receipts	10,500	0	10,500
18	Total – Office of the Health			
19	Insurance Commissioner	2,539,472	402,450	2,941,922
20	<i>Board of Accountancy</i> General Revenues	16,654	0	16,654
21	<i>Commercial Licensing, Racing & Athletics</i>			
22	General Revenues	586,948	(40,369)	546,579
23	Restricted Receipts	583,111	62,760	645,871
24	Total - Commercial Licensing, Racing &			
25	Athletics	1,170,059	22,391	1,192,450
26	<i>Boards for Design Professionals</i> General Revenues	260,635	4,175	264,810
27	Grand Total - Business Regulation	12,976,430	840,915	13,817,345
28	Executive Office of Commerce General Revenues	0	221,314	221,314
29	Labor and Training			
30	<i>Central Management</i>			
31	General Revenues	93,361	14,620	107,981
32	Restricted Receipts	337,854	272,346	610,200
33	Other Funds			
34	Rhode Island Capital Plan Funds			

1	Center General Building Roof	505,996	494,004	1,000,000
2	Center General Asset Protection	1,500,000	(750,000)	750,000
3	Total - Central Management	2,437,211	30,970	2,468,181
4	<i>Workforce Development Services</i>			
5	General Funds	1,148,769	(1,362)	1,147,407
6	Federal Funds	23,892,612	5,458,502	29,351,114
7	Restricted Receipts	9,644,795	4,905,256	14,550,051
8	Other Funds	75,000	36,458	111,458
9	Total - Workforce Development Services	34,761,176	10,398,854	45,160,030
10	<i>Workforce Regulation and Safety</i> General Revenues	2,720,916	73,468	2,794,384
11	<i>Income Support</i>			
12	General Revenues	4,317,409	(30,654)	4,286,755
13	Federal Funds	18,291,060	4,240,107	22,531,167
14	Restricted Receipts			
15	Restricted Receipts	2,146,562	1,416,712	3,563,274
16	Job Development Fund	20,460,000	3,589,156	24,049,156
17	Other Funds			
18	Temporary Disability			
19	Insurance Fund	198,485,516	(7,903,649)	190,581,867
20	Employment Security Fund	218,620,120	(34,374,230)	184,245,890
21	Total - Income Support	462,320,667	(33,062,558)	429,258,109
22	<i>Injured Workers Services</i> Restricted Receipts	8,951,372	(305,891)	8,645,481
23	<i>Labor Relations Board</i> General Revenues	388,648	(6,958)	381,690
24	Grand Total - Labor and Training	511,579,990	(22,872,115)	488,707,875
25	Department of Revenue			
26	<i>Director of Revenue</i> General Revenues	1,122,100	(8,034)	1,114,066
27	<i>Office of Revenue Analysis</i> General Revenues	564,334	(18,968)	545,366
28	<i>Lottery Division</i>			
29	Lottery Funds	342,306,302	(11,997,561)	330,308,741
30	Other Funds			
31	Rhode Island Capital Plan Funds			
32	Lottery Building Renovations	0	283,377	283,377
33	Total – Lottery Division	342,306,302	(11,714,184)	330,592,118
34	<i>Municipal Finance</i> General Revenues	2,256,992	22,041	2,279,033

1	<i>Taxation</i>			
2	General Revenues	18,930,344	(561,208)	18,369,136
3	Federal Funds	1,294,330	1,915,598	3,209,928
4	Restricted Receipts	878,210	(25,553)	852,657
5	Other Funds			
6	Motor Fuel Tax Evasion	43,232	(27,084)	16,148
7	Temporary Disability Insurance	952,454	(46,254)	906,200
8	Total – Taxation	22,098,570	1,255,499	23,354,069
9	<i>Registry of Motor Vehicles</i>			
10	General Revenues	18,826,844	(157,405)	18,669,439
11	Federal Funds	3,818,815	(939,077)	2,879,738
12	Restricted Receipts	2,200,596	(1,665,833)	534,763
13	Other Funds			
14	Rhode Island Capital Plan Funds			
15	Safety Emissions Lifts	0	259,000	259,000
16	Total – Registry of Motor Vehicles	24,846,255	(2,503,315)	22,342,940
17	<i>State Aid</i>			
18	General Revenue			
19	Distressed Communities Relief Fund	10,384,458	0	10,384,458
20	Payment in Lieu of Tax Exempt			
21	Properties	40,080,409	0	40,080,409
22	Motor Vehicle Excise Tax Payments	10,000,000	0	10,000,000
23	Property Revaluation Program	633,209	63,291	696,500
24	Municipal Aid	5,000,000	166,266	5,166,266
25	Restricted Receipts	922,013	0	922,013
26	Total – State Aid	67,020,089	229,557	67,249,646
27	Grand Total – Revenue	460,214,642	(12,737,404)	447,477,238
28	Legislature			
29	General Revenues	36,429,671	2,803,742	39,233,413
30	Restricted Receipts	1,587,079	(71,761)	1,515,318
31	Grand Total – Legislature	38,016,750	2,731,981	40,748,731
32	Lieutenant Governor			
33	General Revenues	1,015,084	(7,876)	1,007,208
34	Federal Funds	74,350	(34,216)	40,134

1	Restricted Receipts	0	17,500	17,500
2	Grand Total - Lieutenant Governor	1,089,434	(24,592)	1,064,842
3	Secretary of State			
4	<i>Administration</i> General Revenues	2,205,748	58,802	2,264,550
5	<i>Corporations</i> General Revenues	2,278,601	(35,919)	2,242,682
6	<i>State Archives</i>			
7	General Revenues	69,266	85,810	155,076
8	Restricted Receipts	514,752	11,510	526,262
9	Total - State Archives	584,018	97,320	681,338
10	<i>Elections & Civics</i>			
11	General Revenues	1,636,292	(40,557)	1,595,735
12	Federal Funds	0	34,123	34,123
13	Total – Elections & Civics	1,636,292	(6,434)	1,629,858
14	<i>State Library</i> General Revenues	521,178	22,359	543,537
15	<i>Office of Public Information</i>			
16	General Revenues	626,118	(131,691)	494,427
17	Restricted Receipts	15,000	0	15,000
18	Other Funds			
19	Rhode Island Capital Plan Fund			
20	Charter Encasement	500,000	(436,246)	63,754
21	Total – Office of Public Information	1,141,118	(567,937)	573,181
22	Grand Total – Secretary of State	8,366,955	(431,809)	7,935,146
23	General Treasurer			
24	<i>Treasury</i>			
25	General Revenues	2,206,467	(12,678)	2,193,789
26	Federal Funds	270,861	(2,529)	268,332
27	Restricted Receipts	37,651	(37,651)	0
28	Other Funds			
29	Temporary Disability Insurance Fund	220,608	(1,614)	218,994
30	Total – Treasury	2,735,587	(54,472)	2,681,115
31	<i>State Retirement System</i>			
32	Restricted Receipts			
33	Admin Expenses - State Retirement System	9,308,412	1,419,712	10,728,124
34	Retirement - Treasury Investment Operations	1,265,045	(167,087)	1,097,958

1	Defined Contribution – Administration	263,588	(22,866)	240,722
2	Total - State Retirement System	10,837,045	1,229,759	12,066,804
3	<i>Unclaimed Property</i> Restricted Receipts	19,712,197	4,320,672	24,032,869
4	<i>Crime Victim Compensation Program</i>			
5	General Revenues	225,638	(2,276)	223,362
6	Federal Funds	599,477	34,957	634,434
7	Restricted Receipts	1,131,949	(1,116)	1,130,833
8	Total - Crime Victim Compensation Program	1,957,064	31,565	1,988,629
9	Grand Total – General Treasurer	35,241,893	5,527,524	40,769,417
10	Board of Elections			
11	General Revenues			
12	General Revenues	2,145,127	(109,201)	2,035,926
13	Public Financing of General Elections	2,000,000	620,273	2,620,273
14	Grand Total - Board of Elections	4,145,127	511,072	4,656,199
15	Rhode Island Ethics Commission General Revenues	1,581,205	37,678	1,618,883
16	Office of Governor			
17	General Revenues			
18	General Revenues	4,277,562	128,165	4,405,727
19	Contingency Fund	250,000	0	250,000
20	Grand Total – Office of Governor	4,527,562	128,165	4,655,727
21	Commission for Human Rights			
22	General Revenues	1,193,083	38,690	1,231,773
23	Federal Funds	287,096	23,596	310,692
24	Grand Total - Commission for Human Rights	1,480,179	62,286	1,542,465
25	Public Utilities Commission			
26	Federal Funds	87,733	0	87,733
27	Restricted Receipts	8,372,153	(29,000)	8,343,153
28	Grand Total - Public Utilities Commission	8,459,886	(29,000)	8,430,886
29	Office of Health and Human Services			
30	<i>Central Management</i>			
31	General Revenues	28,044,154	989,519	29,033,673
32	Federal Funds			
33	Federal Funds	92,223,591	9,160,250	101,383,841
34	Federal Funds – Stimulus	312,000	(241,975)	70,025

1	Restricted Receipts	5,292,880	(107,552)	5,185,328
2	Total – Central Management	125,872,625	9,800,242	135,672,867
3	<i>Medical Assistance</i>			
4	General Revenues			
5	Managed Care	297,696,087	5,538,837	303,234,924
6	Hospitals	103,617,688	3,970,519	107,588,207
7	Nursing Facilities	81,024,113	9,171,737	90,195,850
8	Home and Community Based Services	23,835,759	11,143,241	34,979,000
9	Other Services	44,649,734	(2,083,134)	42,566,600
10	Pharmacy	51,770,620	(1,500,768)	50,269,852
11	Rhody Health	273,995,508	(5,793,953)	268,201,555
12	Federal Funds			
13	Managed Care	317,716,679	1,548,397	319,265,076
14	Hospitals	102,962,352	4,973,077	107,935,429
15	Nursing Facilities	81,121,400	9,182,750	90,304,150
16	Home and Community Based Services	29,963,641	5,057,359	35,021,000
17	Other Services	552,234,966	(71,316,566)	480,918,400
18	Pharmacy	32,003	(1,157,514)	(1,125,511)
19	Rhody Health	275,303,671	(3,805,226)	271,498,445
20	Special Education	19,000,000	0	19,000,000
21	Restricted Receipts	10,615,000	0	10,615,000
22	Total - Medical Assistance	2,265,539,221	(35,071,244)	2,230,467,977
23	Grand Total – Office of Health and			
24	Human Services	2,391,411,846	(25,271,002)	2,366,140,844
25	Children, Youth, and Families			
26	<i>Central Management</i>			
27	General Revenues	4,609,150	572,007	5,181,157
28	Federal Funds	2,269,607	787,050	3,056,657
29	Total - Central Management	6,878,757	1,359,057	8,237,814
30	<i>Children's Behavioral Health Services</i>			
31	General Revenues	5,895,388	(1,388,014)	4,507,374
32	Federal Funds	5,828,492	1,079,338	6,907,830
33	Other Funds			
34	Rhode Island Capital Plan Funds			

1	NAFI Center	21,494	176,966	198,460
2	Groden Center – Fire Towers	137,500	0	137,500
3	Various Repairs and			
4	Improvements to Training School	1,154,000	(912,586)	241,414
5	Total - Children's Behavioral			
6	Health Services	13,036,874	(1,044,296)	11,992,578
7	<i>Juvenile Correctional Services</i>			
8	General Revenues	23,400,611	1,727,980	25,128,591
9	Federal Funds			
10	Federal Funds	271,588	86,544	358,132
11	Federal Funds – Stimulus	0	28,259	28,259
12	Other Funds			
13	Rhode Island Capital Plan Funds			
14	Thomas C. Slater Trng School Generators	213,837	213,163	427,000
15	Thomas C. Slater Trng School Maintenance			
16	Building	535,000	(535,000)	0
17	Total - Juvenile Correctional Services	24,421,036	1,520,946	25,941,982
18	<i>Child Welfare</i>			
19	General Revenues			
20	General Revenues	104,416,147	10,490,549	114,906,696
21	18 to 21 Year Olds	10,185,850	(768,088)	9,417,762
22	Federal Funds			
23	Federal Funds	45,482,485	4,267,967	49,750,452
24	18 to 21 Year Olds	2,270,152	(815,733)	1,454,419
25	Federal Funds – Stimulus	446,340	200,748	647,088
26	Restricted Receipts	2,448,750	391,393	2,840,143
27	Other Funds			
28	Rhode Island Capital Plan Funds			
29	Fire Code Upgrades	850,000	(850,000)	0
30	Total - Child Welfare	166,099,724	12,916,836	179,016,560
31	<i>Higher Education Incentive Grants</i> General Revenues	200,000	0	200,000
32	Grand Total - Children, Youth, and Families	210,636,391	14,752,543	225,388,934
33	Health			
34	<i>Central Management</i>			

1	General Revenues	481,489	(152,044)	329,445
2	Federal Funds	8,071,320	(1,622,540)	6,448,780
3	Restricted Receipts	4,826,651	1,432,967	6,259,618
4	Total - Central Management	13,379,460	(341,617)	13,037,843
5	<i>State Medical Examiner</i>			
6	General Revenues	1,931,511	60,394	1,991,905
7	Federal Funds	141,325	(1,403)	139,922
8	Total - State Medical Examiner	2,072,836	58,991	2,131,827
9	<i>Environmental and Health Services Regulation</i>			
10	General Revenues	9,251,095	(183,458)	9,067,637
11	Federal Funds	5,924,339	2,421,817	8,346,156
12	Restricted Receipts	3,628,936	(2,625,929)	1,003,007
13	Total - Environmental and Health Services			
14	Regulation	18,804,370	(387,570)	18,416,800
15	<i>Health Laboratories</i>			
16	General Revenues	6,130,022	344,606	6,474,628
17	Federal Funds	1,718,714	320,926	2,039,640
18	Federal Funds – Stimulus	6,500	(6,500)	0
19	Total - Health Laboratories	7,855,236	659,032	8,514,268
20	<i>Public Health Information</i>			
21	General Revenues	1,559,128	(209,120)	1,350,008
22	Federal Funds	2,066,331	548,853	2,615,184
23	Total – Public Health Information	3,625,459	339,733	3,965,192
24	<i>Community and Family Health and Equity</i>			
25	General Revenues	2,176,155	173,563	2,349,718
26	Federal Funds			
27	Federal Funds	40,748,562	2,728,334	43,476,896
28	Federal Funds - Stimulus	1,267,231	470,331	1,737,562
29	Restricted Receipts	26,137,670	69,269	26,206,939
30	Other Funds	0	69,050	69,050
31	Total – Community and Family			
32	Health and Equity	70,329,618	3,510,547	73,840,165
33	<i>Infectious Disease and Epidemiology</i>			
34	General Revenues	1,428,520	(162,355)	1,266,165

1	Federal Funds	5,150,071	(328,806)	4,821,265
2	Total – Infectious Disease and Epidemiology	6,578,591	(491,161)	6,087,430
3	Grand Total – Health	122,645,570	3,347,955	125,993,525
4	Human Services			
5	<i>Central Management</i>			
6	General Revenues	4,967,120	9,375	4,976,495
7	Federal Funds	3,777,064	397,351	4,174,415
8	Restricted Receipts	522,542	(2,311)	520,231
9	Total - Central Management	9,266,726	404,415	9,671,141
10	<i>Child Support Enforcement</i>			
11	General Revenues	2,362,840	(101,121)	2,261,719
12	Federal Funds	5,877,595	646,698	6,524,293
13	Total – Child Support Enforcement	8,240,435	545,577	8,786,012
14	<i>Individual and Family Support</i>			
15	General Revenues	24,413,085	(726,673)	23,686,412
16	Federal Funds			
17	Federal Funds	117,893,777	4,013,522	121,907,299
18	Federal Funds – Stimulus	10,571,598	4,974,113	15,545,711
19	Restricted Receipts	340,431	513,585	854,016
20	Other Funds			
21	Rhode Island Capital Plan Fund			
22	Blind Vending Facilities	165,000	0	165,000
23	Intermodal Surface Transportation Fund	4,162,981	234,842	4,397,823
24	Total - Individual and Family Support	157,546,872	9,009,389	166,556,261
25	<i>Veterans' Affairs</i>			
26	General Revenues	20,274,566	(487,398)	19,787,168
27	Federal Funds	7,481,344	1,095,996	8,577,340
28	Restricted Receipts	635,000	974,259	1,609,259
29	Total - Veterans' Affairs	28,390,910	1,582,857	29,973,767
30	<i>Health Care Eligibility</i>			
31	General Revenues	8,226,587	405,386	8,631,973
32	Federal Funds	11,774,391	731,606	12,505,997
33	Total - Health Care Eligibility	20,000,978	1,136,992	21,137,970
34	<i>Supplemental Security Income Program</i>			

1	General Revenues	18,579,280	(345,884)	18,233,396
2	<i>Rhode Island Works</i>			
3	General Revenues			
4	Child Care	9,668,635	0	9,668,635
5	Federal Funds	77,040,945	(2,141,846)	74,899,099
6	Total – Rhode Island Works	86,709,580	(2,141,846)	84,567,734
7	<i>State Funded Programs</i>			
8	General Revenues			
9	General Public Assistance	1,616,000	(77,900)	1,538,100
10	Of this appropriation, \$210,000 \$92,750 shall be used for hardship contingency payments.			
11	Federal Funds	300,692,138	(32,601,373)	268,090,765
12	Total - State Funded Programs	302,308,138	(32,679,273)	269,628,865
13	<i>Elderly Affairs</i>			
14	General Revenues			
15	General Revenue	6,195,226	(132,941)	6,062,285
16	RIPAE	24,484	(24,484)	0
17	Care and Safety of the Elderly	958	342	1,300
18	Federal Funds	12,223,967	(241,474)	11,982,493
19	Restricted Receipts	299,336	(208,324)	91,012
20	Total – Elderly Affairs	18,743,971	(606,881)	18,137,090
21	Grand Total - Human Services	649,786,890	(23,094,654)	626,692,236
22	Behavioral Healthcare, Developmental Disabilities, and Hospitals			
23	<i>Central Management</i>			
24	General Revenues	970,823	306,175	1,276,998
25	Federal Funds	539,262	(257,831)	281,431
26	Total - Central Management	1,510,085	48,344	1,558,429
27	<i>Hospital and Community System Support</i>			
28	General Revenues	1,594,280	578,217	2,172,497
29	Restricted Receipts	934,379	(640,387)	293,992
30	Other Funds			
31	Rhode Island Capital Plan Funds			
32	Medical Center Rehabilitation	1,000,000	(11,903)	988,097
33	Community Facilities Fire Code	400,000	(240,000)	160,000
34	Total - Hospital and Community			

1	System Support	3,928,659	(314,073)	3,614,586
2	<i>Services for the Developmentally Disabled</i>			
3	General Revenues	111,028,105	4,951,798	115,979,903
4	Federal Funds	112,976,682	3,158,939	116,135,621
5	Restricted Receipts	1,977,450	(139,318)	1,838,132
6	Other Funds			
7	Rhode Island Capital Plan Funds			
8	DD Private Waiver	507,286	(353,643)	153,643
9	Regional Center Repair/Rehabilitation	400,000	(100,000)	300,000
10	MR Community Facilities/Access to Ind.	500,000	0	500,000
11	Total - Services for the Developmentally			
12	Disabled	227,389,523	7,517,776	234,907,299
13	<i>Behavioral Healthcare Services</i>			
14	General Revenues	1,980,322	312,262	2,292,584
15	Federal Funds			
16	Federal Funds	14,581,527	1,786,618	16,368,145
17	Substance Abuse Prevention Task Forces	900,000	0	900,000
18	NAMI of RI	128,000	0	128,000
19	Restricted Receipts	125,000	(25,000)	100,000
20	Other Funds			
21	Rhode Island Capital Plan Funds			
22	MH Community Facilities Repair	400,000	(100,000)	300,000
23	MH Housing Development Thresholds	800,000	0	800,000
24	Substance Abuse Asset Production	100,000	0	100,000
25	Total – Behavioral Healthcare Services			
26	<i>Hospital and Community Rehabilitative Services</i>			
27	General Revenues	51,963,343	(384,752)	51,578,591
28	Federal Funds	52,031,533	(283,029)	51,748,504
29	Restricted Receipts	6,571,834	(12,982)	6,558,852
30	Other Funds			
31	Rhode Island Capital Plan Funds			
32	Zambarano Buildings and Utilities	150,000	37,680	187,680
33	BHDDH Administrative Buildings	2,000,000	(1,000,000)	1,000,000
34	MR Community Facilities	950,000	0	950,000

1	Hospital Consolidation	0	99,095	99,095
2	Total - Hospital and Community			
3	Rehabilitative Services	113,666,710	(1,543,988)	112,122,722
4	Grand Total – Behavioral Healthcare,			
5	Developmental Disabilities, and Hospitals	365,509,826	7,681,939	373,191,765
6	Office of the Child Advocate			
7	General Revenues	611,817	21,337	633,154
8	Federal Funds	50,000	0	50,000
9	Grand Total – Office of the Child Advocate	661,817	21,337	683,154
10	Commission on the Deaf and Hard of Hearing			
11	General Revenues	394,279	4,462	398,741
12	Restricted Receipts	80,000	0	80,000
13	Grand Total – Commission on the Deaf and			
14	Hard of Hearing	474,279	4,462	478,741
15	Governor's Commission on Disabilities			
16	General Revenues	358,275	(1,134)	357,141
17	Federal Funds	141,350	164,174	305,524
18	Restricted Receipts	9,177	754	9,931
19	Other Funds			
20	Rhode Island Capital Plan Funds			
21	Handicapped Accessibility	1,000,000	(350,000)	650,000
22	Grand Total - Governor's Commission on			
23	Disabilities	1,508,802	(186,206)	1,322,596
24	Office of the Mental Health Advocate			
25	General Revenues	495,010	11,068	506,078
26	Elementary and Secondary Education			
27	<i>Administration of the Comprehensive Education Strategy</i>			
28	General Revenues	20,418,574	(686,531)	19,732,043
29	Federal Funds			
30	Federal Funds	192,750,465	1,607,476	194,357,941
31	Federal Funds – Stimulus	7,727,747	10,882,068	18,609,815
32	RTTT LEA Share	6,379,521	(6,379,521)	0
33	Restricted Receipts			
34	Restricted Receipts	1,269,741	(265,415)	1,004,326

1	HRIC Adult Education Grants	3,500,000	0	3,500,000
2	Other Funds			
3	Rhode Island Capital Plan Funds			
4	State-Owned Cranston	400,000	0	400,000
5	State-Owned Warwick	950,000	0	950,000
6	State-Owned Woonsocket	1,844,364	(1,844,364)	0
7	Total – Administration of the			
8	Comprehensive Education Strategy	235,240,412	3,313,713	238,554,125
9	<i>Davies Career and Technical School</i>			
10	General Revenues	12,240,174	0	12,240,174
11	Federal Funds			
12	Federal Funds	1,319,532	106,085	1,425,617
13	Federal Funds – Stimulus	42,099	44,468	86,567
14	Restricted Receipts	4,050,538	5,687	4,056,225
15	Other Funds			
16	Rhode Island Capital Plan Funds			
17	Davies HVAC	1,237,345	(1,137,345)	100,000
18	Davies Asset Protection	194,962	625,038	820,000
19	Total - Davies Career and Technical			
20	School	19,084,650	(356,067)	18,728,583
21	<i>RI School for the Deaf</i>			
22	General Revenues	5,929,824	(36,365)	5,893,459
23	Federal Funds			
24	Federal Funds	221,056	51,481	272,537
25	Federal Funds – Stimulus	55,514	37,244	92,758
26	Restricted Receipts	558,248	65,768	624,016
27	Other Funds	59,000	0	59,000
28	Total - RI School for the Deaf	6,823,642	118,128	6,941,770
29	<i>Metropolitan Career and Technical School</i>			
30	General Revenues	10,501,360	0	10,501,360
31	Other Funds			
32	Rhode Island Capital Plan Funds			
33	MET Asset Protection	100,000	502	100,502
34	MET School HVAC	1,160,657	636,236	1,796,893

1	MET School East Bay	0	93,176	93,176
2	Total – Metropolitan Career and			
3	Technical School	11,762,017	729,914	12,491,931
4	<i>Education Aid</i>			
5	General Revenues	758,820,708	(160,151)	758,660,557
6	Restricted Receipts	17,575,445	624,521	18,199,966
7	Other Funds			
8	Permanent School Fund – Education Aid	300,000	0	300,000
9	Total – Education Aid	776,696,153	464,370	777,160,523
10	<i>Central Falls School District</i> General Revenues	39,010,583	0	39,010,583
11	<i>Housing Aid</i> General Revenues	67,949,504	150,568	68,100,072
12	<i>Teachers' Retirement</i> General Revenues	89,529,396	(908,714)	88,620,682
13	Grand Total - Elementary and Secondary			
14	Education	1,246,096,357	3,511,912	1,249,608,269
15	Public Higher Education			
16	<i>Office of Postsecondary Commissioner</i>			
17	General Revenues	4,566,270	920,678	5,486,948
18	Federal Funds	5,092,287	7,500	5,099,787
19	Total - Office of Postsecondary			
20	Commissioner	9,658,557	928,178	10,586,735
21	<i>University of Rhode Island</i>			
22	General Revenues			
23	General Revenues	69,292,680	(399,930)	68,892,750
24	The University of Rhode Island shall maintain tuition charges in the 2014 – 2015 academic			
25	year at the same level as the 2013 – 2014 academic year. The University shall not decrease			
26	internal student financial aid in the 2014 – 2015 academic year below the level of the 2013 –			
27	2014 academic year. The President of the institution shall report, prior to the commencement of			
28	the 2014 – 2015 academic year, to the chair of the Rhode Island Board of Education that such			
29	tuition charges and student aid levels have been achieved at the start of FY 2015 as prescribed			
30	above.			
31	Debt Service	20,903,400	(1,738,501)	19,164,899
32	State Crime Lab	1,035,888	(7,314)	1,028,574
33	Other Funds			
34	University and College Funds	612,113,492	(9,671,582)	602,441,910

1	Debt – Dining Services	1,110,746	(1,500)	1,109,246
2	Debt – Education and General	3,180,567	3,799	3,184,366
3	Debt – Health Services	136,814	(700)	136,114
4	Debt – Housing Loan Funds	10,625,414	(38,001)	10,587,413
5	Debt – Memorial Union	314,538	3,800	318,338
6	Debt – Ryan Center	2,798,531	(1,598)	2,796,933
7	Debt – Alton Jones Services	103,078	122	103,200
8	Debt - Parking Authority	949,029	(14,000)	935,029
9	Debt – Sponsored Research	94,572	(77,905)	16,667
10	Debt – Energy Conservation	2,460,718	(791,071)	1,669,647
11	Debt – Restricted Energy Conservation	0	791,071	791,071
12	Rhode Island Capital Plan Funds			
13	Asset Protection	7,520,000	0	7,520,000
14	Fire and Safety Protection	3,250,000	1,950,000	5,200,000
15	Nursing Education Center	700,000	(700,000)	0
16	URI/RIC Nursing Education Center	0	691,714	691,714
17	White Hall Renovations	0	1,325,000	1,325,000
18	Electric Substation	7,000,000	(1,200,000)	5,800,000
19	Biotechnology Center	0	181,100	181,100
20	Total – University of Rhode Island	743,589,467	(9,695,496)	733,893,971

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

24 *Rhode Island College*

25 General Revenues

26	General Revenues	42,911,103	(259,499)	42,651,604
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27 Rhode Island College shall maintain tuition charges in the 2014 – 2015 academic year at
28 the same level as the 2013 – 2014 academic year. The College shall not decrease internal student
29 financial aid in the 2014 – 2015 academic year below the level of the 2013 – 2014 academic year.
30 The President of the institution shall report, prior to the commencement of the 2014 – 2015
31 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and
32 student aid levels have been achieved at the start of FY 2015 as prescribed above.

33	Debt Service	4,450,296	(900,535)	3,549,761
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34 Other Funds

1	University and College Funds	112,190,914	3,517,171	115,708,085
2	Debt – Education and General	883,664	0	883,664
3	Debt – Housing	2,054,108	(1)	2,054,107
4	Debt – Student Center and Dining	172,600	0	172,600
5	Debt – Student Union	234,963	(1)	234,962
6	Debt – G.O. Debt Service	1,641,626	0	1,641,626
7	Rhode Island Capital Plan Funds			
8	Asset Protection	2,963,548	792,274	3,755,822
9	Infrastructure Modernization	3,871,317	593,653	4,464,970
10	Total – Rhode Island College	171,374,139	3,743,062	175,117,201

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

14 *Community College of Rhode Island*

15 General Revenues

16	General Revenues	45,882,495	(339,741)	45,542,754
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17 The Community College of Rhode Island College shall maintain tuition charges in the 2014
18 – 2015 academic year at the same level as the 2013 – 2014 academic year. The Community
19 College shall not decrease internal student financial aid in the 2014 – 2015 academic year below
20 the level of the 2013 – 2014 academic year. The President of the institution shall report, prior to
21 the commencement of the 2014 – 2015 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 2015 as prescribed above.

24	Debt Service	1,912,779	0	1,912,779
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25	Restricted Receipts	644,000	0	644,000
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26 Other Funds

27	University and College Funds	102,754,282	173,751	102,928,033
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28	Debt – Bookstore	27,693	0	27,693
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29	CCRI Debt Service – Energy Conservation	807,475	0	807,475
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30 Rhode Island Capital Plan Funds

31	Asset Protection	2,138,305	0	2,138,305
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32	Knight Campus Renewal	2,000,000	77,770	2,077,770
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33	Total – Community College of RI	156,167,029	(88,220)	156,078,809
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34 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or

1 unencumbered balances as of June 30, 2015 relating to the Community College of Rhode Island
 2 are hereby reappropriated to fiscal year 2016.

3 Grand Total – Public Higher Education 1,080,789,192 (5,112,476) 1,075,676,716

4 **RI State Council on the Arts**

5 General Revenues

6 Operating Support 428,501 7,993 436,494

7 Grants 1,054,574 0 1,054,574

8 Federal Funds 799,348 (63,802) 735,546

9 Other Funds

10 Arts for Public Facilities 632,536 113,836 746,372

11 Grand Total - RI State Council on the Arts 2,914,959 58,027 2,972,986

12 **RI Atomic Energy Commission**

13 General Revenues 913,197 (5,460) 907,737

14 Federal Funds 0 351,171 351,171

15 Other Funds

16 URI Sponsored Research 257,977 (1,797) 256,180

17 Rhode Island Capital Plan Funds

18 RINSC Asset Protection 100,000 (10,000) 90,000

19 Grand Total - RI Atomic Energy Commission 1,271,174 333,914 1,605,088

20 **RI Higher Education Assistance Authority**

21 General Revenues

22 Authority Operations and Other Grants 147,000 0 147,000

23 Federal Funds

24 Federal Funds 10,680,967 (4,062,864) 6,618,103

25 WaytogoRI Portal 650,000 25,000 675,000

26 Guaranty Agency Reserve Fund 4,134,726 (4,134,726) 0

27 ~~The \$4,134,726 expended from the Guaranty Agency Reserve Fund shall be used for RIHEAA~~
 28 ~~need based grants and scholarships.~~

29 Other Funds

30 Tuition Savings Program – Needs Based

31 Grants & Work Opportunities 8,000,000 0 8,000,000

32 Tuition Savings Program – Administration 334,268 58,259 392,527

33 Grand Total – RI Higher Education

34 Assistance Authority 23,946,961 (8,114,331) 15,832,630

1	RI Historical Preservation and Heritage Commission			
2	General Revenues	1,320,610	(114,503)	1,206,107
3	Federal Funds	2,183,588	76,207	2,259,795
4	Restricted Receipts	434,910	(6,280)	428,630
5	Other Funds			
6	RIDOT – Project Review	70,868	(319)	70,549
7	Rhode Island Capital Plan Fund			
8	Eisenhower House Asset Protection	1,900,000	220,000	2,120,000
9	Grand Total – RI Historical Preservation			
10	and Heritage Commission	5,909,976	175,105	6,085,081
11	Attorney General			
12	<i>Criminal</i>			
13	General Revenues	14,475,192	387,953	14,863,145
14	Federal Funds	1,634,631	1,044,998	2,679,629
15	Restricted Receipts	10,332,721	1,497,325	11,830,046
16	Total – Criminal	26,442,544	2,930,276	29,372,820
17	<i>Civil</i>			
18	General Revenues	4,816,217	495,088	5,311,305
19	Restricted Receipts	917,187	(44,318)	872,869
20	Total – Civil	5,733,404	450,770	6,184,174
21	<i>Bureau of Criminal Identification</i> General Revenues	1,542,124	(150,241)	1,391,883
22	<i>General</i>			
23	General Revenues	2,773,613	20,122	2,793,735
24	Other Funds			
25	Rhode Island Capital Plan Fund			
26	Building Renovations and Repairs	300,000	(50,000)	250,000
27	Total – General	3,073,613	(29,878)	3,043,735
28	Grand Total - Attorney General	36,791,685	3,200,927	39,992,612
29	Corrections			
30	<i>Central Management</i>			
31	General Revenues	9,070,974	(68,285)	9,002,689
32	Federal Funds	117,996	350,491	468,487
33	Restricted Receipts	344,240	0	344,240
34	Total – Central Management	9,533,210	282,206	9,815,416

1	<i>Parole Board</i>			
2	General Revenues	1,275,799	32,947	1,308,746
3	Federal Funds	38,000	2,764	40,764
4	Total – Parole Board	1,313,799	35,711	1,349,510
5	<i>Custody and Security</i>			
6	General Revenues	118,747,911	5,992,661	124,740,572
7	Federal Funds	810,713	(238,727)	571,986
8	Total – Custody and Security	119,558,624	5,753,934	125,312,558
9	<i>Institutional Support</i>			
10	General Revenues	15,726,066	313,021	16,039,087
11	Other Funds			
12	Rhode Island Capital Plan Fund			
13	Asset Protection	3,750,000	(450,000)	3,300,000
14	Maximum – General Renovations	715,433	650,838	1,366,271
15	General Renovations – Women’s	850,000	(350,000)	500,000
16	Bernadette Guay Roof	1,203,112	(953,112)	250,000
17	ISC Exterior Envelope and HVAC	3,933,749	(2,733,749)	1,200,000
18	Minimum Security Kitchen Expansion	4,160,392	(4,160,392)	0
19	Medium Infrastructure	4,833,931	(3,833,931)	1,000,000
20	Dix-Building Plumbing and Bathroom			
21	Renovations	80,821	72,340	153,161
22	D Building State Match – Reintegration C	0	100,000	100,000
23	Total - Institutional Support	35,253,504	(11,344,985)	23,908,519
24	<i>Institutional Based Rehab./Population Management</i>			
25	General Revenues	8,972,305	331,346	9,303,651
26	Federal Funds	619,476	233,308	852,784
27	Restricted Receipts	29,164	0	29,164
28	Total – Institutional Based Rehab/Pop/Mgt.	9,620,945	564,654	10,185,599
29	<i>Healthcare Services</i> General Revenues	18,916,896	2,039,231	20,956,127
30	<i>Community Corrections</i>			
31	General Revenues	15,035,529	(122,973)	14,912,556
32	Federal Funds	68,518	6,861	75,379
33	Restricted Receipts	25,475	5,524	30,999
34	Total – Community Corrections	15,129,522	(110,588)	15,018,934

1	Grand Total – Corrections	209,326,500	(2,779,837)	206,546,663
2	Judiciary			
3	<i>Supreme Court</i>			
4	General Revenues			
5	General Revenues	26,320,642	503,986	26,824,628
6	Defense of Indigents	3,542,240	0	3,542,240
7	Federal Funds	151,954	(31,327)	120,627
8	Restricted Receipts	2,465,781	1,270,188	3,735,969
9	Other Funds			
10	Rhode Island Capital Plan Fund			
11	Judicial HVAC	525,000	62,359	587,359
12	Judicial Complexes Asset Protection	825,000	21,790	846,790
13	Total - Supreme Court	33,830,617	1,826,996	35,657,613
14	<i>Judicial Tenure and Discipline</i> General Revenues	115,513	3,648	119,161
15	<i>Superior Court</i>			
16	General Revenues	22,144,027	549,128	22,693,155
17	Federal Funds	47,552	44,925	92,477
18	Restricted Receipts	302,378	(2,378)	300,000
19	Total - Superior Court	22,493,957	591,675	23,085,632
20	<i>Family Court</i>			
21	General Revenues	19,245,592	1,163,196	20,408,788
22	Federal Funds	1,709,741	1,237,920	2,947,661
23	Total - Family Court	20,955,333	2,401,116	23,356,449
24	<i>District Court</i>			
25	General Revenues	11,508,535	531,246	12,039,781
26	Federal Funds	0	248,803	248,803
27	Restricted Receipts	292,802	(123,551)	169,251
28	Total - District Court	11,801,337	656,498	12,457,835
29	<i>Traffic Tribunal</i> General Revenues	8,760,119	(329,427)	8,430,692
30	<i>Workers' Compensation Court</i> Restricted Receipts	7,712,640	(97,708)	7,614,932
31	Grand Total – Judiciary	105,669,516	5,052,798	110,722,314
32	Military Staff			
33	General Revenues	1,842,096	322,839	2,164,935
34	Federal Funds	14,779,178	(260,581)	14,518,597

1	Restricted Receipts	442,800	(4,500)	438,300
2	Other Funds			
3	Rhode Island Capital Plan Fund			
4	Armory of Mounted Command Roof			
5	Replacement	300,000	(50,000)	250,000
6	State Armories Fire Code Compliance	10,000	(10,000)	0
7	Asset Protection	700,000	0	700,000
8	Logistics/Maint. Facilities Fire Code Comp.	5,000	(5,000)	0
9	Benefit Street Arsenal Rehabilitation	375,000	412,260	787,260
10	Burrillville Regional Training Institute	0	22,150	22,150
11	Camp Fogarty Armory Roof	0	12,595	12,595
12	Grand Total – Military Staff	18,454,074	439,763	18,893,837
13	Public Safety			
14	<i>Central Management</i>			
15	General Revenues	1,176,284	24,904	1,201,188
16	Federal Funds	4,096,105	(27,633)	4,068,472
17	Restricted Receipts	20,000	(20,000)	0
18	Total – Central Management	5,292,389	(22,729)	5,269,660
19	<i>E-911 Emergency Telephone System</i>			
20	General Revenues	5,428,479	(140,453)	5,288,026
21	<i>State Fire Marshal</i>			
22	General Revenues	2,746,455	306,557	3,053,012
23	Federal Funds	94,000	640,803	734,803
24	Restricted Receipts	498,854	(259,128)	239,726
25	Other Funds			
26	Rhode Island Capital Plan Funds			
27	Fire Academy	1,934,500	(933,513)	1,000,987
28	Quonset Development Corp	57,335	964	58,299
29	Total - State Fire Marshal	5,331,144	(244,317)	5,086,827
30	<i>Security Services General Revenues</i>	21,751,650	(5,539)	21,746,111
31	<i>Municipal Police Training Academy</i>			
32	General Revenues	245,379	15,753	261,132
33	Federal Funds	397,400	(159,780)	237,620
34	Total - Municipal Police Training Academy	642,779	(144,027)	498,752

1	<i>State Police</i>			
2	General Revenues	63,945,787	2,791,974	66,737,761
3	Federal Funds	2,306,770	924,683	3,231,453
4	Restricted Receipts	12,345,000	(3,369,651)	8,975,349
5	Other Funds			
6	Rhode Island Capital Plan Fund			
7	Barracks and Training	4,127,659	(3,127,659)	1,000,000
8	Headquarters Repairs/Rehabilitation	737,800	113,029	850,829
9	HQ Expansion (NG Facilities)	0	175,000	175,000
10	Traffic Enforcement - Municipal Training	134,500	(134,500)	0
11	Lottery Commission Assistance	1,399,683	54,339	1,454,022
12	Airport Corporation	176,206	204,580	380,786
13	Road Construction Reimbursement	2,935,000	(119,792)	2,815,208
14	Total - State Police	88,108,405	(2,487,997)	85,620,408
15	Grand Total – Public Safety	126,554,846	(3,045,062)	123,509,784
16	Office of Public Defender			
17	General Revenues	11,130,816	(182,145)	10,948,671
18	Federal Funds	248,864	(95,324)	153,540
19	Grand Total - Office of Public Defender	11,379,680	(277,469)	11,102,211
20	Emergency Management			
21	General Revenues	1,959,858	(98,782)	1,861,076
22	Federal Funds	18,273,640	3,164,584	21,438,224
23	Restricted Receipts	221,729	(5,049)	216,680
24	Other Funds			
25	Rhode Island Capital Plan Fund			
26	Hurricane Sandy Cleanup	167,000	87,943	254,943
27	Grand Total - Emergency Management	20,622,227	3,148,696	23,770,923
28	Environmental Management			
29	<i>Office of the Director</i>			
30	General Revenues			
31	General Revenues	5,020,153	58,917	5,079,070
32	Permit Streamlining	33,414	(33,414)	0
33	Federal Funds	150,000	0	150,000
34	Restricted Receipts	2,884,372	624,511	3,508,883

1	Total – Office of the Director	8,087,939	650,014	8,737,953
2	<i>Natural Resources</i>			
3	General Revenues	19,244,615	254,017	19,498,632
4	Federal Funds	21,348,128	2,015,583	23,363,711
5	Restricted Receipts	4,138,036	(7,320)	4,130,716
6	Other Funds			
7	DOT Recreational Projects	1,114,278	228,228	1,342,506
8	Blackstone Bikepath Design	2,059,795	(216)	2,059,579
9	Transportation MOU	78,579	(229)	78,350
10	Rhode Island Capital Plan Funds			
11	Dam Repair	1,500,000	(7,413)	1,492,587
12	Fort Adams Rehabilitation	300,000	0	300,000
13	Fort Adams America’s Cup	3,000,000	375,515	3,375,515
14	Recreational Facilities Improvements	3,500,000	(325,000)	3,175,000
15	Galilee Piers Upgrade	2,000,000	400,000	2,400,000
16	Newport Piers	100,000	0	100,000
17	World War II Facility	2,600,000	(770,000)	1,830,000
18	Blackstone Valley Bike Path	659,170	(659,170)	0
19	Rocky Point Acquisition/Renovations	3,400,000	317,036	3,717,036
20	Total - Natural Resources	65,042,601	1,821,031	66,863,632
21	<i>Environmental Protection</i>			
22	General Revenues	11,241,923	285,697	11,527,620
23	Federal Funds	10,361,483	159,579	10,521,062
24	Restricted Receipts	8,912,581	(73,318)	8,839,263
25	Other Funds			
26	Transportation MOU	165,000	(266)	164,734
27	Total - Environmental Protection	30,680,987	371,692	31,052,679
28	Grand Total - Environmental Management	103,811,527	2,842,737	106,654,264
29	Coastal Resources Management Council			
30	General Revenues	2,185,538	127,305	2,312,843
31	Federal Funds	1,774,143	5,336,808	7,110,951
32	Restricted Receipts	250,000	0	250,000
33	Other Funds			
34	Rhode Island Capital Plan Funds			

1	South Coast Restoration Project	450,000	(450,000)	0
2	Shoreline Change Beach SAMP	300,000	(50,000)	250,000
3	Grand Total - Coastal Resources Mgmt.			
4	Council	4,959,681	4,964,113	9,923,794
5	Transportation			
6	<i>Central Management</i>			
7	Federal Funds	9,199,986	3,500,014	12,700,000
8	Other Funds			
9	Gasoline Tax	1,770,720	416,585	2,187,305
10	Total – Central Management	10,970,706	3,916,599	14,887,305
11	<i>Management and Budget</i>			
12	Other Funds			
13	Gasoline Tax	2,242,961	759,657	3,002,618
14	<i>Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds</i>			
15	Federal Funds			
16	Federal Funds	325,726,490	(38,540,177)	287,186,313
17	Of these federal funds, \$1,790,000 is appropriated to the Public Rail Corporation from CMAQ			
18	federal funds for the payment of liability insurance.			
19	Federal Funds – Stimulus	17,188,279	(7,393,825)	9,794,454
20	Restricted Receipts	12,352,761	(10,102,761)	2,250,000
21	Other Funds			
22	Gasoline Tax	68,064,896	4,837,079	72,901,975
23	Municipal Revolving Loan Fund – Admin Costs	0	53,000	53,000
24	Land Sale Revenue	21,300,002	(3,600,002)	17,700,000
25	Rhode Island Capital Plan Fund			
26	RIPTA Land and Buildings	223,529	81,060	304,589
27	Highway Projects Match Plan	27,650,000	0	27,650,000
28	Total – Infrastructure Engineering -			
29	GARVEE/Motor Fuel Tax Bonds	472,505,957	(54,665,626)	417,840,331
30	<i>Infrastructure Maintenance</i>			
31	Other Funds			
32	Gasoline Tax	30,790,922	(15,257,043)	15,533,879
33	Non-Land Surplus Property	10,000	15,000	25,000
34	Outdoor Advertising	150,000	(50,000)	100,000

1	Rhode Island Highway Maintenance Account	0	33,572,209	33,572,209
2	Rhode Island Capital Plan Fund			
3	Maintenance Facilities Improvements	500,000	(100,000)	400,000
4	Salt Storage Facilities	1,000,000	327,133	1,327,133
5	Portsmouth Facility	500,000	(500,000)	0
6	Maintenance Equipment Replacement	2,500,000	0	2,500,000
7	Train Station Maintenance and Repairs	200,000	65,648	265,648
8	Cooperative Maint. Facility DOT/RIPTA	3,500,000	(3,500,000)	0
9	Mass Transit Preliminary Conceptual Design	250,000	(250,000)	0
10	Total – Infrastructure Maintenance	39,400,922	14,322,947	53,723,869
11	Grand Total – Transportation	525,120,546	(35,666,423)	489,454,123
12	Statewide Totals			
13	General Revenues	3,445,169,968	31,453,403	3,476,623,371
14	Federal Funds	3,086,526,049	(35,340,036)	3,051,186,013
15	Restricted Receipts	283,055,536	594,034	283,649,570
16	Other Funds	1,965,443,788	(45,720,889)	1,919,722,899
17	Statewide Grand Total	8,780,195,341	(49,013,488)	8,731,181,853

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

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

30	Account	FY 2015	FY 2015	FY 2015
31		Enacted	Change	Final
32	State Assessed Fringe Benefit Internal Service			
33	Fund	37,123,794	458,168	37,581,962
34	Administration Central Utilities Internal Service			

1	Labor and Training	410.0
2	Revenue	505.0
3	Legislature	298.5
4	Office of the Lieutenant Governor	8.0
5	Office of the Secretary of State	57.0
6	Office of the General Treasurer	83.0
7	Board of Elections	11.0
8	Rhode Island Ethics Commission	12.0
9	Office of the Governor	45.0
10	Commission for Human Rights	14.5
11	Public Utilities Commission	50.0
12	Office of Health and Human Services	184.0
13	Children, Youth, and Families	670.5 <u>672.5</u>
14	Health	491.3
15	Human Services	959.1
16	Behavioral Healthcare, Developmental Disabilities,	
17	and Hospitals	1,422.4 <u>1,420.4</u>
18	Office of the Child Advocate	6.0
19	Commission on the Deaf and Hard of Hearing	3.0
20	Governor's Commission on Disabilities	4.0
21	Office of the Mental Health Advocate	3.7
22	Elementary and Secondary Education	154.9 <u>158.4</u>
23	School for the Deaf	60.0
24	Davies Career and Technical School	126.0
25	Office of Postsecondary Commissioner	12.8 <u>15.0</u>
26	Provided that 1.0 of the total authorization would be available only for positions that are	
27	supported by third-party funds.	
28	University of Rhode Island	2,456.5
29	Provided that 573.8 of the total authorization would be available only for positions that are	
30	supported by third-party funds.	
31	Rhode Island College	923.6
32	Provided that 82.0 of the total authorization would be available only for positions that are	
33	supported by third-party funds.	
34	Community College of Rhode Island	854.1

1 Provided that 94.0 of the total authorization would be available only for positions that are
2 supported by third-party funds.

3	Rhode Island State Council on the Arts	6.0
4	RI Atomic Energy Commission	8.6
5	Higher Education Assistance Authority	22.0
6	Historical Preservation and Heritage Commission	16.6
7	Office of the Attorney General	236.1
8	Corrections	1,419.0
9	Judicial	723.3
10	Military Staff	85.0
11	Public Safety	633.2
12	Office of the Public Defender	93.0
13	Emergency Management	32.0
14	Environmental Management	399.0
15	Coastal Resources Management Council	29.0
16	Transportation	752.6
17	Total	15,086.0 <u>15,100.7</u>

18 SECTION 5. Notwithstanding any public laws to the contrary, on or before June 30, 2015
19 six million, three hundred seventy five thousand, four hundred thirty one dollars (\$6,375,431) of
20 bond premium deposited into the Rhode Island Capital Plan Fund in FY 2015 shall be transferred
21 to the Municipal Road and Bridge Revolving Fund on or before June 30, 2015.

22 SECTION 6. This article shall take effect upon passage.

23

ARTICLE 11

RELATING TO REVENUES

SECTION 1. Sections 42-64.3-3 and 42-64.3-6 of the General Laws in Chapter 42-64.3 entitled "Distressed Areas Economic Revitalization Act" are hereby amended to read as follows:

42-64.3-3. Definitions. -- As used in this chapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

(1) "Council" or "enterprise zone council" means the governmental agency created pursuant to § 42-64.3-3.1.

(2) "Enterprise zone," "economic revitalization zone," or "zone" means an economically distressed United States bureau of the census division or delineation in need of expansion of business and industry, and the creation of jobs, which is designated to be eligible for the benefits of this chapter.

(3) "Governing authority" means the governing body of a state, city or town within which a qualified United States bureau of the census division or delineation lies.

(4) (i) "Qualified business" or "business facility" means any business corporation, sole proprietorship, partnership, or limited partnership or limited liability company which:

(A) After the date of its original application for membership in the enterprise zone program or the date annual membership is renewed creates and hires a minimum of five percent (5%) new or additional enterprise jobs or in the case of a company having twenty (20) employees or less, this requirement shall be that the company create and hire one new or additional enterprise job, in the respective zone during the same certification year; and

(B) Whose total Rhode Island wages including those Rhode Island wages for additional enterprise jobs, exceeds the total Rhode Island wages paid to its employees in the prior calendar year; and

(C) Obtains certificates of good standing from the Rhode Island division of taxation, the corporations division of the Rhode Island secretary of state and the appropriate municipal authority at the time of certification; and

(D) Provides the council with an affidavit stating under oath that the entity seeking certification as a qualified business has not within the preceding twelve (12) months from the date

1 of application for certification changed its legal status for the purpose of gaining favorable
2 treatment under the provisions of chapter 64.3 of this title; and

3 (E) Meets certain other requirements as set forth by the council; and

4 (F) Has received certification from the council pursuant to the rules and regulations
5 promulgated by the council [prior to July 1, 2015](#).

6 (ii) In the event that an applicant for certification meets the criteria of subdivisions
7 (4)(i)(A) and (4)(i)(C) to (F), but fails to meet the requirements of subdivision (4)(i)(B) solely
8 because the amount of wages paid to the owner or owners of the business has decreased from the
9 prior calendar year, the Council may, for good cause shown, certify the applicant as a qualified
10 business. The applicant shall have the burden to show, notwithstanding its failure to meet the
11 requirements of subdivision (4)(i)(B) above, that the applicant has met the intent of this chapter.
12 For the purposes of this provision, owner shall mean a person who has at least twenty percent
13 (20%) of the indicia of ownership of the applicant.

14 (5) "Effective date of certification" means the date upon which the qualified business
15 meets the tests imposed in subdivisions (4)(i)(A) through (F) above and applies to the calendar
16 year for which these tests were performed.

17 (6) "Enterprise job employees" means those full-time employees whose business activity
18 originates and terminates from within the enterprise zone business and facility on a daily basis,
19 and who are domiciled residents of the state (or who, in the case of employees of a high
20 performance manufacturer as that term is defined in § 44-31-1(b)(3)(i), pay personal income taxes
21 to the state) and hired (or transferred, in the case of existing out-of-state employees) and
22 employed by the qualified business in the enterprise zone after the effective date of certification
23 or annual recertification in excess of those full-time employees employed by the qualified
24 business in any Rhode Island enterprise zone in the prior calendar year. An employee who is
25 hired and terminated in the same certification period does not constitute an enterprise job
26 employee.

27 (7) "Wages" means wages, tips and other compensation as defined in the Internal
28 Revenue Code of 1986, 26 U.S.C. § 1 et seq.

29 **42-64.3-6. Business tax credits.** -- A qualified business in an enterprise zone is allowed a
30 credit against the tax imposed pursuant to chapters 11, 13 (except the taxation of tangible
31 personal property under § 44-13-13), 14, 17, and 30 of title 44:

32 (1) A credit equal to fifty percent (50%) of the total amount of wages paid to those
33 enterprise job employees comprising the five percent (5%) new jobs referenced in § 42-64.3-
34 3(4)(i)(A). The wages subject to the credit shall be reduced by any direct state or federal wage

1 assistance paid to employers for the employee(s) in the taxable year. The maximum credit
2 allowed per taxable year under the provisions of this subsection shall be two thousand five
3 hundred dollars (\$2,500), per employee. A taxpayer who takes this business tax credit shall not be
4 eligible for the resident business owner modification pursuant to § 42-64.3-7.

5 (2) A credit equal to seventy five percent (75%) of the total amount of wages paid to
6 those enterprise job employees who are domiciliaries of an enterprise zone comprising the five
7 percent (5%) new jobs referenced in § 42-64.3-3(4)(i)(A). The wages subject to the credit shall be
8 reduced by any direct state or federal wage assistance in the taxable year. The maximum credit
9 allowed per taxable year under the provisions of this subdivision shall be five thousand dollars
10 (\$5,000) per employee. A taxpayer who takes this business tax credit is not eligible for the
11 resident business owner modification. The council shall promulgate appropriate rules to certify
12 that the enterprise job employees are domiciliaries of an enterprise zone and shall advise the
13 qualified business and the tax administrator. A taxpayer taking a credit for employees pursuant to
14 this subdivision (2) shall not be entitled to a credit pursuant to subdivision (1) of this section for
15 the employees.

16 (3) Any tax credit as provided in subdivision (1) or (2) of this section shall not reduce the
17 tax below the minimum tax. Fiscal year taxpayers must claim the tax credit in the year into which
18 the December 31st of the certification year falls. The credit shall be used to offset tax liability
19 pursuant to the provisions of either chapters 11, 13, 14, 17, or 30 of title 44, but not more than
20 one chapter.

21 (4) In the case of a corporation, the credit allowed under this section is only allowed
22 against the tax of that corporation included in a consolidated return that qualifies for the credit
23 and not against the tax of other corporations that may join in the filing of a consolidated tax
24 return.

25 (5) In the case of multiple business owners, the credit provided in subdivision (1) or (2)
26 of this section is apportioned according to the ownership interests of the qualified business.

27 (6) The tax credits established pursuant to this section may be carried forward for a
28 period of three (3) years if in each of the three (3) calendar years a business which has qualified
29 for tax credits under this section: (a) does not reduce the number of its employees from the last
30 Effective Date of Certification; (b) obtains certificates of good standing from the Rhode Island
31 division of taxation, the corporations division of the Rhode Island secretary of state and the
32 appropriate municipal tax collector; (c) provides the council an affidavit stating under oath that
33 this business has not within the preceding twelve (12) months changed its legal status for the
34 purpose of gaining favorable treatment under the provisions of chapter 64.3 of this title; and (d)

1 meets any other requirements as may be established by the council in its rules and regulations.

2 (7) No new credits shall be issued on or after July 1, 2015 unless the business has
3 received certification under this chapter prior to July 1, 2015.

4 SECTION 2. Sections 42-63.1-2, 42-63.1-3, 42-63.1-5 and 42-63.1-12 of the General
5 Laws in Chapter 42-63.1 entitled "Tourism and Development" are hereby amended to read as
6 follows:

7 **42-63.1-2. Definitions.** -- For the purposes of this chapter:

8 (1) "Consideration" means the monetary charge for the use of space devoted to transient
9 lodging accommodations.

10 (2) "Corporation" means the Rhode Island economic development corporation.

11 (3) "District" means the regional tourism districts set forth in § 42-63.1-5.

12 (4) "Hotel" means any facility offering a minimum of three (3) rooms for which the
13 public may, for a consideration, obtain transient lodging accommodations. The term "hotel" shall
14 include hotels, motels, tourist homes, tourist camps, lodging houses, and inns ~~and shall exclude~~
15 ~~schools, hospitals, sanitariums, nursing homes and chronic care centers.~~ The term "hotel" shall
16 also include houses, condominiums or other residential dwelling units, regardless of the number
17 of rooms, which are used and/or advertised for rent for occupancy. The term "hotel" shall not
18 include schools, hospitals, sanitariums, nursing homes, and chronic care centers.

19 (5) "Hosting Platform" means an electronic or operating system in which a person or
20 entity provides a means through which an owner may offer and accept payment for a residential
21 unit for "tourist or transient" use. This service is usually, though not necessarily, provided
22 through an online or web-based system which generally allows an owner to advertise the
23 residential unit through a hosted website and provides a means for a person or entity to arrange
24 tourist or transient use in exchange for payment, whether the person or entity pays rent directly to
25 the owner or to the hosting platform. All hosting platforms are required to collect and remit the
26 tax owed under this section.

27 ~~(5)~~(6) "Occupancy" means a person, firm or corporation's use of space ordinarily used for
28 transient lodging accommodations not to exceed thirty (30) days. Excluded from "occupancy" is
29 the use of space for which the occupant has a written lease for the space, which lease covers a
30 rental period of twelve (12) months or more. Furthermore, any house, condominium or other
31 residential dwelling rented, for which the occupant has a written lease for the space covering a
32 rental period of more than thirty (30) consecutive days or for one calendar month is excluded
33 from the definition of occupancy.

34 ~~(6)~~(7) "Tax" means the hotel tax imposed by subsection 44-18-36.1(a).

1 (8) "Owner" means any person who owns real property and is the owner of record.
2 Owner shall also include a lessee where the lessee is offering a residential unit for "tourist or
3 transient" use.

4 (9) "Residential unit" means a room or rooms, including a condominium or a room or a
5 dwelling unit that forms part of a single, joint or shared tenant arrangement, in any building, or
6 portion thereof, which is designed, built, rented, leased, let, or hired out to be occupied for non-
7 commercial use.

8 (10) "Tour operator" means a person that derives a majority of his or her or its revenue by
9 providing tour operator packages.

10 (11) "Tour operator packages" means travel packages that include the services of a tour
11 guide and where the itinerary encompasses five (5) or more consecutive days.

12 (12) "Tourist or transient" means any use of a residential unit for occupancy for less than
13 a thirty (30) consecutive day term of tenancy, or occupancy for less than thirty (30) consecutive
14 days of a residential unit leased or owned by a business entity, whether on a short-term or long-
15 terms basis, including any occupancy by employee or guests of a business entity for less than
16 thirty (30) consecutive days where payment for the residential unit is contracted for or paid by the
17 business entity.

18 **42-63.1-3. Distribution of tax. – (a) For returns and tax payments received on or before**
19 December 31, 2015, ~~Except~~ except as provided in § 42-63.1-12, the proceeds of the hotel tax shall
20 be distributed as follows by the division of taxation and the city of Newport:

21 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
22 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
23 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
24 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
25 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
26 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
27 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
28 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
29 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
30 Convention Authority of the city of Providence established pursuant to the provisions of chapter
31 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
32 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the
33 receipts attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode
34 Island commerce corporation as established in Rhode Island General Law Chapter 42-64;

1 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where
2 the hotel, which generated the tax, is physically located, to be used for whatever purpose the city
3 or town decides.

4 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
5 corporation established in chapter 42-64, ~~deposited as general revenues~~ and seven percent (7%) to
6 the Greater Providence-Warwick Convention and Visitors' Bureau.

7 **(b) For returns and tax payments received after December 31, 2015, except as provided in**
8 **§ 42-63.1-12, the proceeds of the hotel tax shall be distributed as follows by the division of**
9 **taxation and the city of Newport:**

10 **(1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §**
11 **42-63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district,**
12 **twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated**
13 **the tax, is physically located, seven percent (7%) of the tax shall be given to the Greater**
14 **Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty six**
15 **percent (26%) of the tax shall be given to the Rhode Island commerce corporation established in**
16 **chapter 42-64.**

17 **(2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-**
18 **5, twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five**
19 **percent (25%) of the tax shall be given to the city or town where the hotel, which generated the**
20 **tax, is physically located, twenty-three (23%) of the tax shall be given to the Greater Providence-**
21 **Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of**
22 **the tax shall be given to the Rhode Island commerce corporation established in chapter 42-64.**

23 **(3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,**
24 **twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent**
25 **(25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is**
26 **physically located, twenty-three percent (23%) of the tax shall be given to the Greater**
27 **Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-**
28 **four (24%) of the tax shall be given to the Rhode Island commerce corporation established in**
29 **chapter 42-64.**

30 **(4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,**
31 **twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which**
32 **generated the tax, is physically located, seven percent (7%) of the tax shall be given to the**
33 **Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and**
34 **sixty-eight percent (68%) of the tax shall be given to the Rhode Island commerce corporation**

1 established in chapter 42-64.

2 (5) With respect to the tax generated by hotels in districts other than those set forth in
3 sections (1) through (4) above, forty-two percent (42%) of the tax shall be given to the regional
4 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)
5 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
6 located, seven percent (7%) of the tax shall be given to the Greater Providence-Warwick
7 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-six (26%) of the tax
8 shall be given to the Rhode Island commerce corporation established in chapter 42-64.

9 (6) The Rhode Island commerce corporation shall be required in each fiscal year to spend
10 on the promotion and marketing of Rhode Island for tourists or businesses an amount of money of
11 no less than the total proceeds of the hotel tax if receives pursuant to this chapter for such fiscal
12 year.

13 **42-63.1-5. Regional tourism districts.** – (a) The state of Rhode Island is divided into
14 eight (8) regional tourism districts to be administered by the tourism council, convention and
15 visitor's bureau or the Rhode Island ~~economic development corporation~~ commerce corporation
16 established in chapter 42-64 as designated in this section:

17 (1) South County district which shall include Westerly, Charlestown, Narragansett, South
18 Kingstown, North Kingstown, Hopkinton, Exeter, Richmond, West Greenwich, East Greenwich,
19 and Coventry to be administered by the South County tourism council, inc.;

20 (2) Providence district consists of the city of Providence to be administered by the
21 Convention Authority of the City of Providence.

22 (3) Northern Rhode Island district consists of Pawtucket, Woonsocket, Lincoln, Central
23 Falls, Cumberland, North Smithfield, Smithfield, Glocester and Burrillville to be administered by
24 the Blackstone Valley tourism council, inc.;

25 (4) Aquidneck Island district consists of Barrington, Bristol, Warren, Newport,
26 Jamestown, Middletown, Portsmouth, Tiverton and Little Compton to be administered by the
27 Newport and Bristol County convention and visitors bureau;

28 (5) Warwick district consists of the city of Warwick to be administered by the city of
29 Warwick department of economic development;

30 (6) Block Island district which shall consist of the town of New Shoreham to be
31 administered by the New Shoreham tourism council, inc.;

32 (7) East Providence to be administered by an entity that shall be acceptable to the
33 economic development corporation; provided that all funds generated in the city of East
34 Providence shall be held by the Rhode Island division of taxation until such time as the city of

1 East Providence elects to become a member of a regional tourism district at which time the
2 monies held by the Rhode Island division of taxation shall be transferred to the tourism district or
3 convention visitors' bureau selected by the city of East Providence;

4 (8) Statewide district consists of all cities and towns not delineated in subdivisions (1)
5 through (7) to be administered by the Rhode Island ~~economic development corporation~~ commerce
6 corporation established in chapter 42-64.

7 (b) Before receiving any funds under this chapter, the organizations designated to receive
8 the funds on behalf of the South County regional tourism district and the Northern Rhode Island
9 regional tourism district shall be required to apply to and receive approval from the Rhode Island
10 ~~economic development corporation~~ commerce corporation pursuant to guidelines promulgated by
11 the Rhode Island ~~economic development corporation~~ commerce corporation. The corporation
12 shall review the eligibility of the regional tourism district organizations to receive the funds at
13 least annually.

14 (9) On or before January 1, 2016 and every January 1 thereafter, all regional tourism
15 districts created under these sections shall be required to seek and obtain the approval of the
16 executive office of commerce regarding the incorporation of common statewide marketing
17 themes, logos, and slogans, among other features, prior to the release of lodging tax funds to the
18 districts.

19 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority.** – (a)
20 For returns and tax received on or before December 31, 2015, the ~~The~~ proceeds of the hotel tax
21 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
22 be distributed as follows: twenty-seven percent (27%) shall be deposited as general revenues;
23 thirty-one percent (31%) shall be given to the convention authority of the city of Providence;
24 twelve percent (12%) shall be given to the greater Providence-Warwick convention and visitor's
25 bureau; thirty percent (30%) shall be given to the Rhode Island convention center authority to be
26 used in the furtherance of the purposes set forth in § 42-99-4.

27 (b) For returns and tax received after December 31, 2015, the proceeds of the hotel tax
28 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
29 be distributed as follows: twenty-eight percent (28%) shall be given to the convention authority of
30 the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick
31 convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island
32 Commerce Corporation established in § 42-64..

33 ~~(b)~~(c) The Rhode Island Convention Center Authority is authorized and empowered to
34 enter into contracts with the Greater Providence-Warwick Convention and Visitors' Bureau in the

1 furtherance of the purposes set forth in this chapter.

2 SECTION 3. Chapter 42-63.1 of the General Laws entitled "Tourism and Development"
3 is hereby amended to read by adding thereto the following section:

4 **42-63.1-14. Offering residential units through a hosting platform.** – For any
5 residential unit offered for tourist or transient use on a hosting platform that collects and remits
6 the hotel tax revenues generated from such unit in compliance with § 44-18-7.3(b)(4)(i), cities,
7 towns or municipalities shall not prohibit the owner of such residential unit from offering the unit
8 for tourist or transient use through such hosting platform, or prohibit such hosting platform from
9 providing a person or entity the means to rent, pay for or otherwise reserve a residential unit for
10 tourist or transient use. The division of taxation shall at the request of a city, town, or
11 municipality confirm whether a hosting platform is registered in compliance with § 44-18-
12 7.3(b)(4)(i).

13 SECTION 4. Sections 44-18-7.3 and 44-18-36.1 of the General Laws in Chapter 44-18
14 entitled "Sales and Use Tax – Liability and Computation" are hereby amended to read as follows:

15 **44-18-7.3. Services defined.** – (a) "Services" means all activities engaged in for other
16 persons for a fee, retainer, commission, or other monetary charge, which activities involve the
17 performance of a service in this state as distinguished from selling property.

18 (b) The following businesses and services performed in this state, along with the
19 applicable 2007 North American Industrial Classification System (NAICS) codes, are included in
20 the definition of services:

21 (1) Taxicab and limousine services including but not limited to:

22 (i) Taxicab services including taxi dispatchers (485310); and

23 (ii) Limousine services (485320).

24 (2) Other road transportation service including but not limited to:

25 (i) Charter bus service (485510); and

26 (ii) All other transit and ground passenger transportation (485999).

27 (3) Pet care services (812910) except veterinary and testing laboratories services.

28 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in
29 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as
30 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the
31 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a
32 portion of the rental and other fees to the room reseller or reseller, room reseller or reseller shall
33 include, but not be limited to, sellers of travel packages as defined in this section.
34 Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy

1 is done using a room reseller or reseller, the application of the sales and use under §§ 44-18-18
2 and 44-18-20, and the hotel tax under § 44-18- 36.1 shall be as follows: The room reseller or
3 reseller is required to register with and shall collect and pay to the tax administrator the sales and
4 use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees paid
5 by the occupant to the room reseller or reseller, less the amount of any rental and other fees paid
6 by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax
7 administrator said taxes upon the amount of rental and other fees paid to the hotel by the room
8 reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator
9 against a hotel because of an incorrect remittance of the taxes under this chapter by a room
10 reseller or reseller. No assessment shall be made by the tax administrator against a room reseller
11 or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the
12 hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller,
13 as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said
14 taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and
15 room reseller or reseller shall add and collect from the occupant or the room reseller or the
16 reseller the full amount of the taxes imposed on the rental and other fees. When added to the
17 rental and other fees, the taxes shall be a debt owed by the occupant to the hotel or room reseller
18 or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The
19 amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant
20 under this chapter shall be stated and charged separately from the rental and other fees, and shall
21 be shown separately on all records thereof, whether made at the time the transfer of occupancy
22 occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the
23 reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of
24 tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the
25 occupant that the separately stated taxes charged by the room reseller or reseller include taxes
26 charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or
27 reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to §
28 44-19-1.

29 (ii) "Travel package" means a room or rooms bundled with one or more other, separate
30 components of travel such as air transportation, car rental or similar items, which travel package
31 is charged to the customer or occupant for a single retail price. When the room occupancy is
32 bundled for a single consideration, with other property, services, amusement charges, or any other
33 items, the separate sale of which would not otherwise be subject to tax under this chapter, the
34 entire single consideration shall be treated as the rental or other fees for room occupancy subject

1 to tax under this chapter; provided, however, that where the amount of the rental or other fees for
2 room occupancy is stated separately from the price of such other property, services, amusement
3 charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant,
4 and such rental and other fees are determined by the tax administrator to be reasonable in relation
5 to the value of such other property, services, amusement charges or other items, only such
6 separately stated rental and other fees will be subject to tax under this chapter. The value of the
7 transfer of any room or rooms bundled as part of a travel package may be determined by the tax
8 administrator from the room reseller's and/or reseller's and/or hotel's books and records that are
9 kept in the regular course of business.

10 (c) The tax administrator is authorized to promulgate rules and regulations in accordance
11 with the provisions of chapter 42-35 to carry out the provisions, policies, and purposes of this
12 chapter.

13 **44-18-36.1. Hotel tax.** – (a) There is imposed a hotel tax of five percent (5%) upon the
14 total consideration charged for occupancy of any space furnished by any hotel, travel packages, or
15 room reseller or reseller as defined in § 44-18-7.3(b) in this state. A house, condominium, or
16 other resident dwelling shall be exempt from the five percent (5%) hotel tax under this subsection
17 if the house, condominium, or other resident dwelling is rented in its entirety. The hotel tax is in
18 addition to any sales tax imposed. This hotel tax is administered and collected by the division of
19 taxation and unless provided to the contrary in this chapter, all the administration, collection, and
20 other provisions of chapters 18 and 19 of this title apply. Nothing in this chapter shall be
21 construed to limit the powers of the convention authority of the city of Providence established
22 pursuant to the provisions of chapter 84 of the public laws of 1980, except that distribution of
23 hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than chapter 84 of the
24 public laws of 1980.

25 (b) There is hereby levied and imposed, upon the total consideration charged for
26 occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees
27 now imposed by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be
28 administered and collected in accordance with subsection (a).

29 (c) All sums received by the division of taxation from the local hotel tax, penalties or
30 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid
31 by the state treasurer to the city or town where the space for occupancy that is furnished by the
32 hotel is located. Unless provided to the contrary in this chapter, all of the administration,
33 collection, and other provisions of chapters 18 and 19 of this title shall apply.

34 (d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport

1 shall have the authority to collect from hotels located in the city of Newport the tax imposed by
2 subsection (a) of this section.

3 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the
4 tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September
5 in each year in which the tax is collected, the city of Newport shall submit to the division of
6 taxation a report of the tax collected and distributed during the six (6) month period ending thirty
7 (30) days prior to the reporting date.

8 (2) The city of Newport shall have the same authority as the division of taxation to
9 recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty
10 and interest imposed by the city of Newport until collected constitutes a lien on the real property
11 of the taxpayer.

12 In recognition of the work being performed by the Streamlined Sales and Use Tax
13 Governing Board, upon any federal law which requires remote sellers to collect and remit taxes,
14 effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate
15 imposed under § 44-18-36.1(b) shall be one and one-half percent (1.5%).

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

18 **44-1-36. Contracts.** - (a) Except as set forth in section (b) below, the division of taxation
19 may enter into contracts with persons (defined herein as individuals, firms, fiduciaries,
20 partnerships, corporations, trusts, or associations, however formed) to be paid on a contingent fee
21 basis, for services rendered to the division of taxation where the contract is for the collection of
22 taxes, interest, or penalty or the reduction of refunds claimed. Under such contracts the contingent
23 fee shall be based on the actual amount of taxes, interest and/or penalties collected and/or the
24 amount by which the claimed refund is reduced.

25 (b) The division of taxation may not enter into a contingent fee contract under which the
26 person directly conducts a field audit.

27 (c) The division of taxation shall publish an annual report setting forth the number of
28 contracts entered into under paragraph (a), the amount collected and the percentage of the
29 contingency fee arrangement of each contract.

30 SECTION 6. Section 44-25-1 of the General Laws in Chapter 44-25 entitled "Real Estate
31 Conveyance Tax" is hereby amended to read as follows:

32 **44-25-1. Tax imposed -- Payment -- Burden.** -- (a) There is imposed, on each deed,
33 instrument, or writing by which any lands, tenements, or other realty sold is granted, assigned,
34 transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or

1 persons, by his or her or their direction, or on any grant, assignment, transfer, or conveyance or
2 such vesting, by such persons which has the effect of making any real estate company an acquired
3 real estate company, when the consideration paid exceeds one hundred dollars (\$100), a tax at the
4 rate of two dollars and thirty cents (\$2.30) for each five hundred dollars (\$500) or fractional part
5 of it which is paid for the purchase of ~~the~~ property or the interest in an acquired real estate
6 company (inclusive of the value of any lien or encumbrance remaining at the time of the sale,
7 grant, assignment, transfer or conveyance or vesting occurs, or in the case of an interest in an
8 acquired real estate company, a percentage of the value of such lien or encumbrance equivalent to
9 the percentage interest in the acquired real estate company being granted, assigned, transferred,
10 conveyed or vested), which tax is payable at the time of making, the execution, delivery,
11 acceptance or ~~presenting~~ presentation for recording of ~~the~~ any instrument affecting such transfer
12 grant, assignment, transfer, conveyance or vesting. In the absence of an agreement to the
13 contrary, the tax shall be paid by the grantor, assignor, transferor or person making the
14 conveyance or vesting.

15 (b) In the event no consideration is actually paid for the lands, tenements, or realty, the
16 instrument or interest in an acquired real estate company of conveyance shall contain a statement
17 to the effect that the consideration is such that no documentary stamps are required.

18 (c) The tax administrator shall contribute to the distressed community relief program the
19 sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps
20 to be distributed pursuant to § 45-13-12, and to the housing resources commission restricted
21 receipts account the sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face
22 value of the stamps. Funds will be administered by the ~~department of administration~~, office of
23 housing and community development, through the housing resources commission. The state shall
24 retain sixty cents (\$.60) for state use. The balance of the tax shall be retained by the municipality
25 collecting the tax. Notwithstanding the above, in the case of the tax on the grant, transfer,
26 assignment or conveyance or vesting with respect to an acquired real estate company, the tax
27 shall be collected by the tax administrator and shall be distributed to the municipality where the
28 real estate owned by the acquired real estate company is located provided, however, in the case
29 of any such tax collected by the tax administrator, if the acquired real estate company owns
30 property located in more than one municipality, the proceeds of the tax shall be allocated amongst
31 said municipalities in the proportion the assessed value of said real estate in each such
32 municipality bears to the total of the assessed values of all of the real estate owned by the
33 acquired real estate company in Rhode Island. Provided, however, in fiscal years 2004 and 2005,
34 from the proceeds of this tax, the tax administrator shall deposit as general revenues the sum of

1 ninety cents (\$.90) per two dollars and thirty cents (\$2.30) of the face value of the stamps. The
2 balance of the tax on the purchase of property shall be retained by the municipality collecting the
3 tax. The balance of the tax on the transfer with respect to an acquired real estate company, shall
4 be collected by the tax administrator and shall be distributed to the municipality where the
5 property for which interest is sold is physically located. Provided, however, that in the case of any
6 tax collected by the tax administrator with respect to an acquired real estate company where the
7 acquired real estate company owns property located in more than one municipality, the proceeds
8 of the tax shall be allocated amongst the municipalities in proportion that the assessed value in
9 any such municipality bears to the assessed values of all of the real estate owned by the acquired
10 real estate company in Rhode Island.

11 (d) For purposes of this Section, the term “acquired real estate company” means a real
12 estate company that has undergone a change in ownership interest if (i) such change does not
13 affect the continuity of the operations of the company; and (ii) the change, whether alone or
14 together with prior changes has the effect of granting, transferring, assigning or conveying or
15 vesting, transferring directly or indirectly, 50% or more of the total ownership in the company
16 within a period of three (3) years. For purposes of the foregoing subsection (ii) hereof, a grant,
17 transfer, assignment or conveyance or vesting, shall be deemed to have occurred within a period
18 of three (3) years of another grant(s), transfer(s) , assignment(s) or conveyance(s) or vesting(s) if
19 during the period the granting, transferring, assigning or conveying or party provides the
20 receiving party a legally binding document granting, transferring, assigning or conveying or
21 vesting said realty or a commitment or option enforceable at a future date to execute the grant,
22 transfer, assignment or conveyance or vesting.

23 (e) A real estate company is a corporation, limited liability company, partnership or other
24 legal entity which meets any of the following:

25 (i) Is primarily engaged in the business of holding, selling or leasing real estate, where
26 90% or more of the ownership of said real estate is held by 35 or fewer persons and which
27 company either (a) derives 60% or more of its annual gross receipts from the ownership or
28 disposition of real estate; or (b) owns real estate the value of which comprises 90% or more of the
29 value of the entity’s entire tangible asset holdings exclusive of tangible assets which are fairly
30 transferable and actively traded on an established market; or

31 (ii) 90% or more of the ownership interest in such entity is held by 35 or fewer persons
32 and the entity owns as 90% or more of the fair market value of its assets a direct or indirect
33 interest in a real estate company. An indirect ownership interest is an interest in an entity 90% or
34 more of which is held by 35 or fewer persons and the purpose of the entity is the ownership of a

1 real estate company.

2 (f) In the case of a grant, assignment, transfer or conveyance or vesting which results in a
3 real estate company becoming an acquired real estate company, the grantor, assignor, transferor,
4 or person making the conveyance or causing the vesting, shall file or cause to be filed with the
5 division of taxation, at least five (5) days prior to the grant, transfer, assignment or conveyance
6 or vesting, notification of the proposed grant, transfer, assignment, or conveyance or vesting, the
7 price, terms and conditions of thereof, and the character and location of all of the real estate assets
8 held by real estate company and shall remit the tax imposed and owed pursuant to subsection (a)
9 hereof. Any such grant, transfer, assignment or conveyance or vesting which results in a real
10 estate company becoming an acquired real estate company shall be fraudulent and void as against
11 the state unless the entity notifies the tax administrator in writing of the grant, transfer,
12 assignment or conveyance or vesting as herein required in subsection (f) hereof and has paid the
13 tax as required in subsection (a) hereof. Upon the payment of the tax by the transferor, the tax
14 administrator shall issue a certificate of the payment of the tax which certificate shall be
15 recordable in the land evidence records in each municipality in which such real estate company
16 owns real estate. Where the real estate company has assets other than interests in real estate
17 located in Rhode Island, the tax shall be based upon the assessed value of each parcel of property
18 located in each municipality in the state of Rhode Island.

19 SECTION 7. Section 44-18-30 of General Laws in Chapter 44-18 entitled "Sales and Use
20 Taxes – Liability and Computation" is hereby amended to read as follows:

21 **44-18-30. Gross receipts exempt from sales and use taxes.** – There are exempted from
22 the taxes imposed by this chapter the following gross receipts:

23 (1) *Sales and uses beyond constitutional power of state.* From the sale and from the
24 storage, use, or other consumption in this state of tangible personal property the gross receipts
25 from the sale of which, or the storage, use, or other consumption of which, this state is prohibited
26 from taxing under the Constitution of the United States or under the constitution of this state.

27 (2) *Newspapers.*

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

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

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

34 (3) *School meals.* From the sale and from the storage, use, or other consumption in this

1 state of meals served by public, private, or parochial schools, school districts, colleges,
2 universities, student organizations, and parent-teacher associations to the students or teachers of a
3 school, college, or university whether the meals are served by the educational institutions or by a
4 food service or management entity under contract to the educational institutions.

5 (4) *Containers.*

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

7 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials that
8 are biodegradable and all bags and wrapping materials utilized in the medical and healing arts,
9 when sold without the contents to persons who place the contents in the container and sell the
10 contents with the container.

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

13 (C) Returnable containers when sold with the contents in connection with a retail sale of
14 the contents or when resold for refilling.

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

18 (5)(i) *Charitable, educational, and religious organizations.* From the sale to, as in
19 defined in this section, and from the storage, use, and other consumption in this state or any other
20 state of the United States of America of tangible personal property by hospitals not operated for a
21 profit; "educational institutions" as defined in subdivision (18) not operated for a profit; churches,
22 orphanages, and other institutions or organizations operated exclusively for religious or charitable
23 purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting
24 leagues and associations and bands for boys and girls under the age of nineteen (19) years; the
25 following vocational student organizations that are state chapters of national vocational students
26 organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of
27 America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future
28 Homemakers of America/Home Economics Related Occupations (FHA/HERD); Vocational
29 Industrial Clubs of America (VICA); organized nonprofit golden age and senior citizens clubs for
30 men and women; and parent-teacher associations.

31 (ii) In the case of contracts entered into with the federal government, its agencies or
32 instrumentalities, this state or any other state of the United States of America, its agencies, any
33 city, town, district, or other political subdivision of the states; hospitals not operated for profit;
34 educational institutions not operated for profit; churches, orphanages, and other institutions or

1 organizations operated exclusively for religious or charitable purposes; the contractor may
2 purchase such materials and supplies (materials and/or supplies are defined as those that are
3 essential to the project) that are to be utilized in the construction of the projects being performed
4 under the contracts without payment of the tax.

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

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

14 (7) *Purchase for manufacturing purposes.*

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

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

24 (iii) "Consumed" includes mere obsolescence.

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

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

32 (vi) "Process of manufacturing" does not mean or include administration operations such
33 as general office operations, accounting, collection or sales promotion, nor does it mean or
34 include distribution operations that occur subsequent to production operations, such as handling,

1 storing, selling, and transporting the manufactured products, even though the administration and
2 distribution operations are performed by, or in connection with, a manufacturing business.

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

7 (9) *Food and food ingredients.* From the sale and storage, use, or other consumption in
8 this state of food and food ingredients as defined in § 44-18-7.1(1).

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

12 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,
13 except sub-sector 3118 (bakeries);

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

15 (iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries,
16 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and is not sold with
17 utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or
18 straws.

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

21 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and
22 insulin whether or not sold on prescription. For purposes of this exemption drugs shall not
23 include over-the-counter drugs and grooming and hygiene products as defined in § 44-18-
24 7.1(h)(iii).

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

31 (11) *Prosthetic devices and mobility enhancing equipment.* From the sale and from the
32 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),
33 sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles,
34 eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on

1 prescription; and mobility enhancing equipment as defined in § 44-18-7.1(p), including
2 wheelchairs, crutches and canes.

3 (12) *Coffins, caskets, and burial garments.* From the sale and from the storage, use, or
4 other consumption in this state of coffins or caskets, and shrouds or other burial garments that are
5 ordinarily sold by a funeral director as part of the business of funeral directing.

6 (13) *Motor vehicles sold to nonresidents.*

7 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide
8 nonresident of this state who does not register the motor vehicle in this state, whether the sale or
9 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.

10 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like
11 exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20. In that event,
12 the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that
13 would be imposed in his or her state of residence not to exceed the rate that would have been
14 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle
15 dealer shall add and collect the tax required under this subdivision and remit the tax to the tax
16 administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island
17 licensed, motor vehicle dealer is required to add and collect the sales and use tax on the sale of a
18 motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the
19 tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of
20 motor vehicles.

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

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

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

34 (15) *Air and water pollution control facilities.* From the sale, storage, use, or other

1 consumption in this state of tangible personal property or supplies acquired for incorporation into
2 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
3 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
4 of title 46 and chapter 25 of title 23, respectively, and that has been certified as approved for that
5 purpose by the director of environmental management. The director of environmental
6 management may certify to a portion of the tangible personal property or supplies acquired for
7 incorporation into those facilities or used and consumed in the operation of those facilities to the
8 extent that that portion has as its primary purpose the control of the pollution or contamination of
9 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,
10 device, building, machinery, or equipment.

11 (16) *Camps*. From the rental charged for living quarters, or sleeping, or housekeeping
12 accommodations at camps or retreat houses operated by religious, charitable, educational, or
13 other organizations and associations mentioned in subdivision (5), or by privately owned and
14 operated summer camps for children.

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

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

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

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

34 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not

1 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand
2 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-
3 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices
4 to auditory signals.

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

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

12 (20) *Heating fuels.* From the sale and from the storage, use, or other consumption in this
13 state of every type of heating fuel ~~used in the heating of homes and residential premises.~~

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

16 (22) *Manufacturing machinery and equipment.*

17 (i) From the sale and from the storage, use, or other consumption in this state of tools,
18 dies, molds, machinery, equipment (including replacement parts), and related items to the extent
19 used in an industrial plant in connection with the actual manufacture, conversion, or processing of
20 tangible personal property, or to the extent used in connection with the actual manufacture,
21 conversion, or processing of computer software as that term is utilized in industry numbers 7371,
22 7372, and 7373 in the standard industrial classification manual prepared by the Technical
23 Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the
24 President, United States Bureau of the Budget, as revised from time to time, to be sold, or that
25 machinery and equipment used in the furnishing of power to an industrial manufacturing plant.
26 For the purposes of this subdivision, "industrial plant" means a factory at a fixed location
27 primarily engaged in the manufacture, conversion, or processing of tangible personal property to
28 be sold in the regular course of business;

29 (ii) Machinery and equipment and related items are not deemed to be used in connection
30 with the actual manufacture, conversion, or processing of tangible personal property, or in
31 connection with the actual manufacture, conversion, or processing of computer software as that
32 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification
33 manual prepared by the Technical Committee on Industrial Classification, Office of Statistical
34 Standards, Executive Office of the President, United States Bureau of the Budget, as revised from

1 time to time, to be sold to the extent the property is used in administration or distribution
2 operations;

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

10 (iv) Where a portion of a group of portable or mobile machinery is used in connection
11 with the actual manufacture, conversion, or processing of computer software or tangible personal
12 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
13 this subdivision even though the machinery in that group is used interchangeably and not
14 otherwise identifiable as to use.

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

23 (24) *Precious metal bullion.*

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

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

30 (iii) The term does not include fabricated precious metal that has been processed or
31 manufactured for some one or more specific and customary industrial, professional, or artistic
32 uses.

33 (25) *Commercial vessels.* From sales made to a commercial ship, barge, or other vessel of
34 fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the

1 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use
2 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the
3 vessels.

4 (26) *Commercial fishing vessels.* From the sale and from the storage, use, or other
5 consumption in this state of vessels and other water craft that are in excess of five (5) net tons and
6 that are used exclusively for "commercial fishing", as defined in this subdivision, and from the
7 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of
8 property purchased for the use of those vessels and other watercraft including provisions,
9 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and
10 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection
11 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means
12 taking or attempting to take any fish, shellfish, crustacea, or bait species with the intent of
13 disposing of it for profit or by sale, barter, trade, or in commercial channels. The term does not
14 include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport
15 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat
16 license issued by the department of environmental management pursuant to § 20-2-27.1 that meet
17 the following criteria: (i) The operator must have a current U.S.C.G. license to carry passengers
18 for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii) U.S.C.G. vessel
19 documentation as to proof of Rhode Island home port status or a Rhode Island boat registration to
20 prove Rhode Island home port status; and (iv) The vessel must be used as a commercial passenger
21 carrying fishing vessel to carry passengers for fishing. The vessel must be able to demonstrate
22 that at least fifty percent (50%) of its annual gross income derives from charters or provides
23 documentation of a minimum of one hundred (100) charter trips annually; and (v) The vessel
24 must have a valid Rhode Island party and charter boat license. The tax administrator shall
25 implement the provisions of this subdivision by promulgating rules and regulations relating
26 thereto.

27 (27) *Clothing and footwear.* From the sales of articles of clothing, including footwear,
28 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.
29 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including
30 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty
31 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"
32 does not include clothing accessories or equipment or special clothing or footwear primarily
33 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f).
34 In recognition of the work being performed by the streamlined sales and use tax governing board,

1 upon passage of any federal law that authorizes states to require remote sellers to collect and
2 remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012.
3 The unlimited exemption on sales of clothing and footwear shall take effect on the date that the
4 state requires remote sellers to collect and remit sales and use taxes.

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

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

12 (30) *Boats.*

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

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

23 (31) *Youth activities equipment.* From the sale, storage, use, or other consumption in this
24 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island
25 eleemosynary organizations, for the purposes of youth activities that the organization is formed to
26 sponsor and support; and by accredited elementary and secondary schools for the purposes of the
27 schools or of organized activities of the enrolled students.

28 (32) *Farm equipment.* From the sale and from the storage or use of machinery and
29 equipment used directly for commercial farming and agricultural production; including, but not
30 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
31 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
32 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
33 other farming equipment, including replacement parts appurtenant to or used in connection with
34 commercial farming and tools and supplies used in the repair and maintenance of farming

1 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or
2 the production within this state of agricultural products, including, but not limited to, field or
3 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or
4 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to
5 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued
6 prior to July 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2)
7 levels. Level I shall be based on proof of annual, gross sales from commercial farming of at least
8 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption
9 provided in this subdivision except for motor vehicles with an excise tax value of five thousand
10 dollars (\$5,000) or greater. Level II shall be based on proof of annual gross sales from
11 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for
12 purchases subject to the exemption provided in this subdivision including motor vehicles with an
13 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the
14 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be
15 required for the prior year; for any renewal of an exemption granted in accordance with this
16 subdivision at either level I or level II, proof of gross annual sales from commercial farming at
17 the requisite amount shall be required for each of the prior two (2) years. Certificates of
18 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption
19 and be valid for four (4) years after the date of issue. This exemption applies even if the same
20 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-
21 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the
22 vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying
23 farm plates as provided for in § 31-3-31.

24 (33) *Compressed air*. From the sale and from the storage, use, or other consumption in
25 the state of compressed air.

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

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

34 (36) *Textbooks*. From the sale and from the storage, use, or other consumption in this

1 state of textbooks by an "educational institution", as defined in subdivision (18) of this section,
2 and any educational institution within the purview of § 16-63-9(4), and used textbooks by any
3 purveyor.

4 (37) *Tangible personal property and supplies used in on-site hazardous waste recycling,*
5 *reuse, or treatment.* From the sale, storage, use, or other consumption in this state of tangible
6 personal property or supplies used or consumed in the operation of equipment, the exclusive
7 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
8 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as
9 defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the
10 same taxpayer and where the personal property is located at, in, or adjacent to a generating
11 facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of
12 the department of environmental management certifying that the equipment and/or supplies as
13 used or consumed, qualify for the exemption under this subdivision. If any information relating to
14 secret processes or methods of manufacture, production, or treatment is disclosed to the
15 department of environmental management only to procure an order, and is a "trade secret" as
16 defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed unless
17 disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

18 (38) *Promotional and product literature of boat manufacturers.* From the sale and from
19 the storage, use, or other consumption of promotional and product literature of boat
20 manufacturers shipped to points outside of Rhode Island that either: (i) Accompany the product
21 that is sold; (ii) Are shipped in bulk to out-of-state dealers for use in the sale of the product; or
22 (iii) Are mailed to customers at no charge.

23 (39) *Food items paid for by food stamps.* From the sale and from the storage, use, or other
24 consumption in this state of eligible food items payment for which is properly made to the retailer
25 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of
26 1977, 7 U.S.C. § 2011 et seq.

27 (40) *Transportation charges.* From the sale or hiring of motor carriers as defined in § 39-
28 12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed
29 with the Rhode Island public utilities commission on the number of miles driven or by the
30 number of hours spent on the job.

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

1 or damaged boat, towards the purchase of a new or used boat by the buyer.

2 (42) *Equipment used for research and development.* From the sale and from the storage,
3 use, or other consumption of equipment to the extent used for research and development purposes
4 by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a business for
5 which the use of research and development equipment is an integral part of its operation and
6 "equipment" means scientific equipment, computers, software, and related items.

7 (43) *Coins.* From the sale and from the other consumption in this state of coins having
8 numismatic or investment value.

9 (44) *Farm structure construction materials.* Lumber, hardware, and other materials used
10 in the new construction of farm structures, including production facilities such as, but not limited
11 to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying
12 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing
13 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and
14 trench silos, feed storage sheds, and any other structures used in connection with commercial
15 farming.

16 (45) *Telecommunications carrier access service.* Carrier access service or
17 telecommunications service when purchased by a telecommunications company from another
18 telecommunications company to facilitate the provision of telecommunications service.

19 (46) *Boats or vessels brought into the state exclusively for winter storage, maintenance,*
20 *repair or sale.* Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax
21 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in
22 any year up to and including the 30th day of April next succeeding with respect to the use of any
23 boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility
24 in this state for storage, including dry storage and storage in water by means of apparatus
25 preventing ice damage to the hull, maintenance, or repair; (ii) The actual process of storage,
26 maintenance, or repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or
27 vessel.

28 (47) *Jewelry display product.* From the sale and from the storage, use, or other
29 consumption in this state of tangible personal property used to display any jewelry product;
30 provided that title to the jewelry display product is transferred by the jewelry manufacturer or
31 seller and that the jewelry display product is shipped out of state for use solely outside the state
32 and is not returned to the jewelry manufacturer or seller.

33 (48) *Boats or vessels generally.* Notwithstanding the provisions of this chapter, the tax
34 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,

1 use, or other consumption in this state of any new or used boat. The exemption provided for in
2 this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal
3 ten percent (10%) surcharge on luxury boats is repealed.

4 (49) *Banks and regulated investment companies interstate toll-free calls.*

5 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to
6 the furnishing of interstate and international, toll-free terminating telecommunication service that
7 is used directly and exclusively by or for the benefit of an eligible company as defined in this
8 subdivision; provided that an eligible company employs on average during the calendar year no
9 less than five hundred (500) "full-time equivalent employees" as that term is defined in § 42-64.5-
10 2. For purposes of this section, an "eligible company" means a "regulated investment company"
11 as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a
12 corporation to the extent the service is provided, directly or indirectly, to or on behalf of a
13 regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a
14 state-chartered bank.

15 (50) *Mobile and manufactured homes generally.* From the sale and from the storage, use,

16 or other consumption in this state of mobile and/or manufactured homes as defined and subject to
17 taxation pursuant to the provisions of chapter 44 of title 31.

18 (51) *Manufacturing business reconstruction materials.*

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

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

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

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

31 (52) *Tangible personal property and supplies used in the processing or preparation of*
32 *floral products and floral arrangements.* From the sale, storage, use, or other consumption in this
33 state of tangible personal property or supplies purchased by florists, garden centers, or other like
34 producers or vendors of flowers, plants, floral products, and natural and artificial floral

1 arrangements that are ultimately sold with flowers, plants, floral products, and natural and
2 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,
3 processing, or preparation of flowers, plants, floral products, or natural and artificial floral
4 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral
5 product, or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine,
6 flower food, insecticide and fertilizers.

7 (53) *Horse food products.* From the sale and from the storage, use, or other consumption
8 in this state of horse food products purchased by a person engaged in the business of the boarding
9 of horses.

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

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

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

34 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state

1 within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-
2 motorized recreational vehicle for use, storage, or other consumption in this state, and is subject
3 to, and liable for, the use tax imposed under the provisions of § 44-18-20.

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

9 (55) *Sprinkler and fire alarm systems in existing buildings.* From the sale in this state of
10 sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials
11 necessary and attendant to the installation of those systems that are required in buildings and
12 occupancies existing therein in July 2003 in order to comply with any additional requirements for
13 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003
14 and that are not required by any other provision of law or ordinance or regulation adopted
15 pursuant to that Act. The exemption provided in this subdivision shall expire on December 31,
16 2008.

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

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

1 not exempt from state sales tax.

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

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

8 (60) *Blood*. From the sale and from the storage, use, or other consumption of human
9 blood.

10 (61) *Agricultural products for human consumption*. From the sale and from the storage,
11 use, or other consumption of livestock and poultry of the kinds of products that ordinarily
12 constitute food for human consumption and of livestock of the kind the products of which
13 ordinarily constitutes fibers for human use.

14 (62) *Diesel emission control technology*. From the sale and use of diesel retrofit
15 technology that is required by § 31-47.3-4.

16 (63) *Feed for certain animals used in commercial farming*. From the sale of feed for
17 animals as described in § 44-18-30(61).

18 (64) *Alcoholic beverages*. From the sale and storage, use, or other consumption in this
19 state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and
20 malt beverages ~~from December 1, 2013, through June 30, 2015~~; provided, further,
21 notwithstanding § 6-13-1 or any other general or public law to the contrary, alcoholic beverages,
22 as defined in § 44-18-7.1, shall not be subject to minimum markup ~~from December 1, 2013,~~
23 ~~through June 30, 2015~~.

24 SECTION 8. Section 10 of Article 12 of Chapter 145 of the 2014 Public Laws entitled
25 "AN ACT RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE
26 STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2014" is hereby amended to read as
27 follows:

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

30 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.** -- (a) There shall be
31 assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or
32 reduced for sale in this state a tax of ~~three dollars (\$3.00)~~ three dollars and thirty cents (\$3.30) on
33 every thirty-one (31) gallons, and a tax at a like rate for any other quantity or fractional part. On
34 any beverage manufactured, rectified, blended, or reduced for sale in this state consisting in

1 whole or in part of wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors
2 (as distinguished from beer or other brewery products), the tax to be assessed and levied is as
3 follows:

4 (1) Still wines (whether fortified or not), ~~sixty cents (\$.60)~~ one dollar and forty cents
5 (\$1.40) per gallon;

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

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

9 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
10 or in part of alcohol ~~which that~~ is the product of distillation, ~~three dollars and seventy five cents~~
11 ~~(\$3.75)~~ five dollars and forty cents (\$5.40) per gallon, except that whiskey, rum, gin, brandy
12 spirits, cordials, and other beverages consisting in whole or in part of alcohol ~~which that~~ is the
13 product of distillation but ~~which that~~ contains alcohol measuring thirty (30) proof or less, one
14 dollar and ten cents (\$1.10) per gallon;

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

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

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

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

26 SECTION 9. Chapter 44-19 of the General Laws entitled "Sales and Use Taxes –
27 Enforcement and Collection" is hereby amended by adding hereto the following section:

28 **44-19-43. Managed Audit Program.** - (a) The tax administrator may, in a written
29 agreement with a taxpayer, authorize a taxpayer to conduct a managed audit pursuant to this
30 section. The agreement shall specify the period to be audited and the procedure to be followed,
31 and shall be signed by an authorized representative of the tax administrator and the taxpayer.

32 (b) For purposes of this section, the term "managed audit" means a review and analysis of
33 invoices, checks, accounting records, or other documents or information to determine the correct
34 amount of tax. A managed audit may include, but is not required to include, the following

1 categories of liability under this Chapter, including tax on:
2 (i) Sales of one or more types of taxable items.
3 (ii) Purchases of assets.
4 (iii) Purchases of expense items.
5 (iv) Purchases under a direct payment permit.
6 (v) Any other category specified in an agreement authorized by this section. It shall be in
7 the tax administrator's sole discretion as to which categories of liability shall be included in any
8 managed audit.

9 (c) The decision to authorize a managed audit rests solely with the tax administrator. In
10 determining whether to authorize a managed audit, the tax administrator may consider, in
11 addition to other facts the tax administrator may consider relevant, any of the following:

12 (i) The taxpayer's history of tax compliance.
13 (ii) The amount of time and resources the taxpayer has available to dedicate to the
14 managed audit.

15 (iii) The extent and availability of the taxpayer's records.

16 (iv) The taxpayer's ability to pay any expected liability.

17 (d) The tax administrator may examine records and perform reviews that (s)he determines
18 are necessary before the managed audit is finalized to verify the results of the managed audit.
19 Unless the managed audit or information reviewed by the tax administrator discloses fraud or
20 willful evasion of the tax, the tax administrator may not assess a penalty and may waive all or a
21 part of the interest that would otherwise accrue on any amount identified as due in a managed
22 audit. This subsection (d) does not apply to any amount collected by the taxpayer that was a tax
23 or represented to be a tax that was not remitted to the state.

24 SECTION 10. Sections 44-20-12 and 44-20-13 of the General Laws in Chapter 44-20
25 entitled "Cigarette Tax" are hereby amended to read as follows:

26 **44-20-12. Tax imposed on cigarettes sold.** -- A tax is imposed on all cigarettes sold or
27 held for sale in the state. The payment of the tax to be evidenced by stamps, which may be
28 affixed only by licensed distributors to the packages containing such cigarettes. Any cigarettes on
29 which the proper amount of tax provided for in this chapter has been paid, payment being
30 evidenced by the stamp, is not subject to a further tax under this chapter. The tax is at the rate of
31 ~~one hundred seventy five (175)~~ one hundred eighty-seven and one half (187.5) mills for each
32 cigarette.

33 **44-20-13. Tax imposed on unstamped cigarettes.** - A tax is imposed at the rate of ~~one~~
34 ~~hundred seventy five (175)~~ one hundred eighty-seven and one half (187.5) mills for each cigarette

1 upon the storage or use within this state of any cigarettes not stamped in accordance with the
2 provisions of this chapter in the possession of any consumer within this state.

3 SECTION 11. Chapter 44-20 of the General Laws entitled "Cigarette Tax" is hereby
4 amended by adding hereto the following section:

5 **44-20-12.5. Floor stock tax on cigarettes and stamps. – (a) Whenever used in this**
6 **section, unless the context requires otherwise:**

7 (1) "Cigarette" means any cigarette as defined in § 44-20-1(2);

8 (2) "Person" means each individual, firm, fiduciary, partnership, corporation, trust, or
9 association, however formed.

10 (b) Each person engaging in the business of selling cigarettes at retail in this state shall
11 pay a tax or excise to the state for the privilege of engaging in that business during any part of the
12 calendar year 2015. In calendar year 2015, the tax shall be measured by the number of cigarettes
13 held by the person in this state at 12:01 a.m. on August 1, 2015 and is computed at the rate of
14 twelve and one half (12.5) mills for each cigarette on August 1, 2015.

15 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay
16 a tax or excise to the state for the privilege of engaging in that business during any part of the
17 calendar year 2015. The tax is measured by the number of stamps, whether affixed or to be
18 affixed to packages of cigarettes, as required by § 44-20-28. In calendar year 2015 the tax is
19 measured by the number of stamps, as defined in § 44-20-1(10), whether affixed or to be affixed,
20 held by the distributor at 12:01 a.m. on August 1, 2015, and is computed at the rate of twelve and
21 one half (12.5) mills per cigarette in the package to which the stamps are affixed or to be affixed.

22 (d) Each person subject to the payment of the tax imposed by this section shall, on or
23 before August 15, 2015, file a return, under oath or certified under the penalties of perjury, with
24 the tax administrator on forms furnished by him or her, showing the amount of cigarettes and
25 under subsection (b) above the number of stamps under subsection (c) above, in that person's
26 possession in this state at 12:01 a.m. on August 1, 2015, and the amount of tax due, and shall at
27 the time of filing the return pay the tax to the tax administrator. Failure to obtain forms shall not
28 be an excuse for the failure to make a return containing the information required by the tax
29 administrator.

30 (e) The tax administrator may prescribe rules and regulations, not inconsistent with law,
31 with regard to the assessment and collection of the tax imposed by this section.

32 SECTION 12. Section 44-30-2.6 and 44-30-12 of General Laws in Chapter 44-30 entitled
33 "Personal Income Tax" is hereby amended to read as follows:

34 **44-30-2.6. Rhode Island taxable income – Rate of tax. – (a) "Rhode Island taxable**

1 income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C.
2 § 1 et seq., not including the increase in the basic standard deduction amount for married couples
3 filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and
4 the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by
5 the modifications in § 44-30-12.

6 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
7 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
8 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-
9 five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year
10 2002 and thereafter of the federal income tax rates, including capital gains rates and any other
11 special rates for other types of income, except as provided in § 44-30-2.7, which were in effect
12 immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of
13 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator
14 beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the
15 commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or
16 after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in § 44-30-
17 2.10 to calculate his or her personal income tax liability.

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

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

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

1 (A) Tax imposed.

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

4 If taxable income is: The tax is:

5 Not over \$53,150 3.75% of taxable income

6 Over \$53,150 but not over \$128,500 \$1,993.13 plus 7.00% of the excess over \$53,150

7 Over \$128,500 but not over \$195,850 \$7,267.63 plus 7.75% of the excess over \$128,500

8 Over \$195,850 but not over \$349,700 \$12,487.25 plus 9.00% of the excess over \$195,850

9 Over \$349,700 \$26,333.75 plus 9.90% of the excess over \$349,700

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

12 If taxable income is: The tax is:

13 Not over \$42,650 3.75% of taxable income

14 Over \$42,650 but not over \$110,100 \$1,599.38 plus 7.00% of the excess over \$42,650

15 Over \$110,100 but not over \$178,350 \$6,320.88 plus 7.75% of the excess over \$110,100

16 Over \$178,350 but not over \$349,700 \$11,610.25 plus 9.00% of the excess over \$178,350

17 Over \$349,700 \$27,031.75 plus 9.90% of the excess over \$349,700

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

21 If taxable income is: The tax is:

22 Not over \$31,850 3.75% of taxable income

23 Over \$31,850 but not over \$77,100 \$1,194.38 plus 7.00% of the excess over \$31,850

24 Over \$77,100 but not over \$160,850 \$4,361.88 plus 7.75% of the excess over \$77,100

25 Over \$160,850 but not over \$349,700 \$10,852.50 plus 9.00% of the excess over \$160,850

26 Over \$349,700 \$27,849.00 plus 9.90% of the excess over \$349,700

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

29 If taxable income is: The tax is:

30 Not over \$26,575 3.75% of taxable income

31 Over \$26,575 but not over \$64,250 \$996.56 plus 7.00% of the excess over \$26,575

32 Over \$64,250 but not over \$97,925 \$3,633.81 plus 7.75% of the excess over \$64,250

33 Over \$97,925 but not over \$174,850 \$6,243.63 plus 9.00% of the excess over \$97,925

34 Over \$174,850 \$13,166.88 plus 9.90% of the excess over \$174,850

1 (5) There is hereby imposed a taxable income of an estate or trust a tax determined in
2 accordance with the following table:

3 If taxable income is: The tax is:

4 Not over \$2,150 3.75% of taxable income

5 Over \$2,150 but not over \$5,000 \$80.63 plus 7.00% of the excess over \$2,150

6 Over \$5,000 but not over \$7,650 \$280.13 plus 7.75% of the excess over \$5,000

7 Over \$7,650 but not over \$10,450 \$485.50 plus 9.00% of the excess over \$7,650

8 Over \$10,450 \$737.50 plus 9.90% of the excess over \$10,450

9 (6) Adjustments for inflation. The dollars amount contained in paragraph (A) shall be
10 increased by an amount equal to:

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

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

13 (c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in making
14 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
15 be determined under section (J) by substituting "1994" for "1993."

16 (B) Maximum capital gains rates

17 (1) In general If a taxpayer has a net capital gain for tax years ending prior to January 1,
18 2010, the tax 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 § 44-30-12.

33 (2) Individuals who do not itemize their deductions In the case of an individual who does
34 not elect to itemize his deductions for the taxable year, they may elect to take a standard

1 deduction.

2 (3) Basic standard deduction. The Rhode Island standard deduction shall be allowed in
3 accordance with the following table:

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

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

12 (5) Limitation on basic standard deduction in the case of certain dependents. In the case
13 of an individual to whom a deduction under section (E) is allowable to another taxpayer, the basic
14 standard deduction applicable to such individual shall not exceed the greater of:

- 15 (a) \$850;
- 16 (b) The sum of \$300 and such individual's earned income;
- 17 (6) Certain individuals not eligible for standard deduction. In the case of:
 - 18 (a) A married individual filing a separate return where either spouse itemizes deductions;
 - 19 (b) Nonresident alien individual;
 - 20 (c) An estate or trust;

21 The standard deduction shall be zero.

22 (7) Adjustments for inflation. Each dollars amount contained in paragraphs (3), (4) and
23 (5) shall be increased by an amount equal to:

- 24 (a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988,
25 multiplied by
 - 26 (b) The cost-of-living adjustment determined under section (J) with a base year of 1988.
- 27 (D) Overall limitation on itemized deductions
 - 28 (1) General rule.

29 In the case of an individual whose adjusted gross income as modified by § 44-30-12
30 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
31 taxable year shall be reduced by the lesser of:

- 32 (a) Three percent (3%) of the excess of adjusted gross income as modified by § 44-30-12
33 over the applicable amount; or
- 34 (b) Eighty percent (80%) of the amount of the itemized deductions otherwise allowable

1 for such taxable year.

2 (2) Applicable amount.

3 (a) In general.

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

6 (b) Adjustments for inflation. Each dollar amount contained in paragraph (a) shall be
7 increased by an amount equal to:

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

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

10 (3) Phase-out of Limitation.

11 (a) In general.

12 In the case of taxable year beginning after December 31, 2005, and before January 1,
13 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
14 would be the amount of such reduction.

15 (b) Applicable fraction.

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

18 For taxable years beginning in calendar year The applicable fraction is

19 2006 and 2007 $\frac{2}{3}$

20 2008 and 2009 $\frac{1}{3}$

21 (E) Exemption amount

22 (1) In general.

23 Except as otherwise provided in this subsection, the term "exemption amount" mean
24 \$3,400.

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

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

29 (3) Adjustments for inflation.

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

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

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

33 (4) Limitation.

34 (a) In general.

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

3 (b) Applicable percentage. In the case of any taxpayer whose adjusted gross income for
4 the taxable year exceeds the threshold amount, the exemption amount shall be reduced by two (2)
5 percentage points for each \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross
6 income for the taxable year exceeds the threshold amount. In the case of a married individual
7 filing a separate return, the preceding sentence shall be applied by substituting "\$1,250" for
8 "\$2,500." In no event shall the applicable percentage exceed one hundred percent (100%).

9 (c) Threshold Amount. For the purposes of this paragraph, the term "threshold amount"
10 shall be determined with the following table:

11	Filing status	Amount
12	Single	\$156,400
13	Married filing jointly of qualifying widow(er)	\$234,600
14	Married filing separately	\$117,300
15	Head of Household	\$195,500

16 (d) Adjustments for inflation.

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

- 18 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by
- 19 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

20 (5) Phase-out of Limitation.

21 (a) In general.

22 In the case of taxable years beginning after December 31, 2005, and before January 1,
23 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
24 would be the amount of such reduction.

25 (b) Applicable fraction.

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

28 For taxable years beginning in calendar year The applicable fraction is

29	2006 and 2007	2/3
30	2008 and 2009	1/3

31 (F) Alternative minimum tax

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

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

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

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

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

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

5 (3) The amount determined under the preceding sentence shall be reduced by the

6 alternative minimum tax foreign tax credit for the taxable year.

7 (4) *Taxable excess.* - For the purposes of this subsection the term "taxable excess" means

8 so much of the federal alternative minimum taxable income as modified by the modifications in §

9 44-30-12 as exceeds the exemption amount.

10 (5) In the case of a married individual filing a separate return, subparagraph (2) shall be

11 applied by substituting "\$87,500" for \$175,000 each place it appears.

12 (6) Exemption amount. For purposes of this section "exemption amount" means:

13 Filing status Amount

14 Single \$39,150

15 Married filing jointly or qualifying widow(er) \$53,700

16 Married filing separately \$26,850

17 Head of Household \$39,150

18 Estate or trust \$24,650

19 (7) Treatment of unearned income of minor children

20 (a) In general.

21 In the case of a minor child, the exemption amount for purposes of section (6) shall not

22 exceed the sum of:

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

24 (ii) \$6,000.

25 (8) Adjustments for inflation.

26 The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount

27 equal to:

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

29 by

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

31 (9) Phase-out.

32 (a) In general.

33 The exemption amount of any taxpayer shall be reduced (but not below zero) by an

34 amount equal to twenty-five percent (25%) of the amount by which alternative minimum taxable

1 income of the taxpayer exceeds the threshold amount.

2 (b) Threshold amount. For purposes of this paragraph, the term "threshold amount" shall
3 be determined with the following table:

4 Filing status	Amount
5 Single	\$123,250
6 Married filing jointly or qualifying widow(er)	\$164,350
7 Married filing separately	\$82,175
8 Head of Household	\$123,250
9 Estate or Trust	\$82,150

10 (c) Adjustments for inflation

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

- 12 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by
- 13 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.
- 14 (G) Other Rhode Island taxes

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

- 17 (a) The Federal income tax on lump-sum distributions.
- 18 (b) The Federal income tax on parents' election to report child's interest and dividends.
- 19 (c) The recapture of Federal tax credits that were previously claimed on Rhode Island
20 return.
- 21 (H) Tax for children under 18 with investment income

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

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

24 (I) Averaging of farm income

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

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

28 (J) Cost-of-living adjustment

29 (1) In general.

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

- 31 (a) The CPI for the preceding calendar year exceeds
- 32 (b) The CPI for the base year.

33 (2) CPI for any calendar year. For purposes of paragraph (1), the CPI for any calendar
34 year is the average of the Consumer Price Index as of the close of the twelve (12) month period

1 ending on August 31 of such calendar year.

2 (3) Consumer Price Index

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

7 (4) Rounding.

8 (a) In general.

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

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

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

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

17 (2) Child and dependent care credit;

18 (3) General business credits;

19 (4) Credit for elderly or the disabled;

20 (5) Credit for prior year minimum tax;

21 (6) Mortgage interest credit;

22 (7) Empowerment zone employment credit;

23 (8) Qualified electric vehicle credit.

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

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

1 (N) Rhode Island earned income credit

2 (1) In general.

3 For tax years beginning on or after January 1, 2015 and before January 1, 2016, A a
4 taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income
5 credit equal to ten percent (10%) of the federal earned income credit. Such credit shall not exceed
6 the amount of the Rhode Island income tax.

7 For tax years beginning on or after January, 1, 2016, a taxpayer entitled to a federal
8 earned income credit shall be allowed a Rhode Island earned income credit equal to twelve and
9 one-half percent (12.5%) of the federal earned income credit. Such credit shall not exceed the
10 amount of the Rhode Island income tax.

11 (2) Refundable portion.

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

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

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

20 (3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode
21 Island taxable income" means federal adjusted gross income as determined under the Internal
22 Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
23 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
24 subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant of
25 subparagraph 44-30-2.6(c)(3)(C).

26 (A) Tax imposed.

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

31	RI Taxable Income	RI Income Tax
32	Over But not Over	Pay + % On Excess On The Amount Over
33	\$0 - \$55,000	\$0 + 3.75% \$0
34	55,000 - 125,000	2,063 + 4.75% 55,000

1 125,000 - 5,388 + 5.99% 125,000

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

4	RI Taxable Income	RI Income Tax
5	Over But not Over	Pay + % On Excess On The Amount Over
6	\$0 - \$2,230	\$0 + 3.75% \$0
7	2,230 - 7,022	84 + 4.75% 2,230
8	7,022 - 312	+ 5.99% 7,022

9 (B) Deductions:

10 (I) Rhode Island Basic Standard Deduction. Only the Rhode Island standard deduction
11 shall be allowed in accordance with the following table:

12	Filing status:	Amount
13	Single	\$7,500
14	Married filing jointly or qualifying widow(er)	\$15,000
15	Married filing separately	\$7,500
16	Head of Household	\$11,250

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

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

25 (C) Exemption Amount:

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

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

33 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode
34 Island purposes pursuant to § 33-30-12, for the taxable year exceeds one hundred seventy- five

1 thousand dollars (\$175,000), the exemption amount shall be reduced by the applicable
2 percentage. The term "applicable percentage" means twenty (20) percentage points for each five
3 thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for
4 the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

5 (E) *Adjustment for inflation.* - The dollar amount contained in subparagraphs 44-30-
6 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
7 equal to:

8 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-
9 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,
10 multiplied by;

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

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

17 (IV) For the purpose of this section the term "consumer price index" means the last
18 consumer price index for all urban consumers published by the department of labor. For the
19 purpose of this section 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 (V) If any increase determined under this section is not a multiple of fifty dollars
22 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
23 case of a married individual filing separate return, if any increase determined under this section is
24 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
25 multiple of twenty-five dollars (\$25.00).

26 (E) Credits against tax.

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

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

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

34 (c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax

1 credit as provided in § 44-30.3-1 et seq.

2 (d) *Credit for income taxes of other states.* - Credit shall be allowed for income tax paid
3 to other states pursuant to § 44-30-74.

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

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

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

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

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

20 [\(j\) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested](#)
21 [in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.](#)

22 [\(k\) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in](#)
23 [§ 42-64.20-1 et seq.](#)

24 [\(l\) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode](#)
25 [Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.](#)

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 **44-30-12. Rhode Island income of a resident individual.** -- (a) General. The Rhode
29 Island income of a resident individual means his or her adjusted gross income for federal income
30 tax purposes, with the modifications specified in this section.

31 (b) *Modifications increasing federal adjusted gross income.* There shall be added to
32 federal adjusted gross income:

33 (1) Interest income on obligations of any state, or its political subdivisions, other than
34 Rhode Island or its political subdivisions;

1 (2) Interest or dividend income on obligations or securities of any authority, commission,
2 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the
3 extent exempted by the laws of the United States from federal income tax but not from state
4 income taxes;

5 (3) The modification described in § 44-30-25(g);

6 (4)(i) The amount defined below of a nonqualified withdrawal made from an account in
7 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified
8 withdrawal is:

9 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
10 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-
11 6.1; and

12 (B) A withdrawal or distribution which is:

13 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined
14 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

15 (II) Not made for a reason referred to in § 16-57-6.1(e); or

16 (III) Not made in other circumstances for which an exclusion from tax made applicable
17 by Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,
18 withdrawal or distribution is made within two (2) taxable years following the taxable year for
19 which a contributions modification pursuant to subdivision (c)(4) of this section is taken based on
20 contributions to any tuition savings program account by the person who is the participant of the
21 account at the time of the contribution, whether or not the person is the participant of the account
22 at the time of the transfer, rollover, withdrawal or distribution;

23 (ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this
24 subdivision, there shall be added to the federal adjusted gross income of that person for the
25 taxable year of the withdrawal an amount equal to the lesser of:

26 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
27 administrative fee or penalty imposed under the tuition savings program in connection with the
28 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
29 person's federal adjusted gross income for the taxable year; and

30 (B) The amount of the person's contribution modification pursuant to subdivision (c)(4)
31 of this section for the person's taxable year of the withdrawal and the two (2) prior taxable years
32 less the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
33 computing the person's Rhode Island income by application of this subsection for those years.
34 Any amount added to federal adjusted gross income pursuant to this subdivision shall constitute

1 Rhode Island income for residents, nonresidents and part-year residents; and

2 (5) The modification described in § 44-30-25.1(d)(3)(i).

3 (6) The amount equal to any unemployment compensation received but not included in
4 federal adjusted gross income.

5 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
6 qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6).

7 (c) *Modifications reducing federal adjusted gross income.* There shall be subtracted from
8 federal adjusted gross income:

9 (1) Any interest income on obligations of the United States and its possessions to the
10 extent includible in gross income for federal income tax purposes, and any interest or dividend
11 income on obligations, or securities of any authority, commission, or instrumentality of the
12 United States to the extent includible in gross income for federal income tax purposes but exempt
13 from state income taxes under the laws of the United States; provided, that the amount to be
14 subtracted shall in any case be reduced by any interest on indebtedness incurred or continued to
15 purchase or carry obligations or securities the income of which is exempt from Rhode Island
16 personal income tax, to the extent the interest has been deducted in determining federal adjusted
17 gross income or taxable income;

18 (2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

19 (3) The amount of any withdrawal or distribution from the "tuition savings program"
20 referred to in § 16-57-6.1 which is included in federal adjusted gross income, other than a
21 withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified
22 withdrawal;

23 (4) Contributions made to an account under the tuition savings program, including the
24 "contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the
25 following limitations, restrictions and qualifications:

26 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
27 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
28 return;

29 (ii) The following shall not be considered contributions:

30 (A) Contributions made by any person to an account who is not a participant of the
31 account at the time the contribution is made;

32 (B) Transfers or rollovers to an account from any other tuition savings program account
33 or from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
34 U.S.C. § 529; or

- 1 (C) A change of the beneficiary of the account;
- 2 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
3 adjusted gross income to less than zero (0);
- 4 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
5 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
6 savings program for all preceding taxable years for which this subsection is effective over the
7 sum of:
- 8 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
9 such preceding taxable years; and
- 10 (B) That part of any remaining contribution carryover at the end of the taxable year
11 which exceeds the amount of any nonqualified withdrawals during the year and the prior two (2)
12 taxable years not included in the addition provided for in this subdivision for those years. Any
13 such part shall be disregarded in computing the contributions carryover for any subsequent
14 taxable year;
- 15 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
16 shall include a computation of the carryover with the taxpayer's Rhode Island personal income
17 tax return for that year, and if for any taxable year on which the carryover is based the taxpayer
18 filed a joint Rhode Island personal income tax return but filed a return on a basis other than
19 jointly for a subsequent taxable year, the computation shall reflect how the carryover is being
20 allocated between the prior joint filers; and
- 21 (5) The modification described in § 44-30-25.1(d)(1).
- 22 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
23 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36
24 or other coverage plan.
- 25 (7) *Modification for organ transplantation.* (i) An individual may subtract up to ten
26 thousand dollars (\$10,000) from federal adjusted gross income if he or she, while living, donates
27 one or more of his or her human organs to another human being for human organ transplantation,
28 except that for purposes of this subsection, "human organ" means all or part of a liver, pancreas,
29 kidney, intestine, lung, or bone marrow. A subtract modification that is claimed hereunder may be
30 claimed in the taxable year in which the human organ transplantation occurs.
- 31 (ii) An individual may claim that subtract modification hereunder only once, and the
32 subtract modification may be claimed for only the following unreimbursed expenses that are
33 incurred by the claimant and related to the claimant's organ donation:
- 34 (A) Travel expenses.

1 (B) Lodging expenses.

2 (C) Lost wages.

3 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
4 nonresident of this state.

5 (8) Modification for taxable Social Security income. (i) For a person who has attained the
6 age used for calculating full or unreduced social security retirement benefits who files a return as
7 an unmarried individual, head of household or married filing separate whose federal adjusted
8 gross income for such taxable year is less than eighty thousand dollars (\$80,000), or

9 (ii) A married individual filing jointly or individual filing qualifying widow(er) who has
10 age used for calculating full or unreduced social security retirement benefits whose federal
11 adjusted gross income for such taxable year is less than one hundred thousand dollars (\$100,000),
12 an amount equal to the social security benefits includable in federal adjusted gross income.

13 (iii) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
14 12(c)(8)(i) and 44-30-12(c)(8)(ii) shall be increased annually by an amount equal to:

15 (I) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i) and 44-30-
16 12(c)(8)(ii) adjusted for inflation using a base tax year of 2000, 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 (d) *Modification for Rhode Island fiduciary adjustment.* There shall be added to or
33 subtracted from federal adjusted gross income (as the case may be) the taxpayer's share, as
34 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-

1 30-17.

2 (e) *Partners*. The amounts of modifications required to be made under this section by a
3 partner, which relate to items of income or deduction of a partnership, shall be determined under
4 § 44-30-15.

5 SECTION 13. Section 44-64-3 of General Laws in Chapter 44-64 entitled "The
6 Outpatient Health Care Facility Surcharge" is hereby repealed.

7 ~~**44-64-3. Imposition of surcharge — Outpatient health care facility.** (a) For the
8 purposes of this section, an "outpatient health care facility" means a person or governmental unit
9 that is licensed to establish, maintain, and operate a free-standing ambulatory surgery center or a
10 physician ambulatory surgery center or a podiatry ambulatory surgery center, in accordance with
11 chapter 17 of title 23.~~

12 ~~(b) A surcharge at a rate of two percent (2.0%) shall be imposed upon the net patient
13 services revenue received each month by every outpatient health care facility. Every provider
14 shall pay the monthly surcharge no later than the twenty-fifth (25th) day of the month following
15 the month that the gross patient revenue is received. This surcharge shall be in addition to any
16 other authorized fees that have been assessed upon outpatient facilities.~~

17 SECTION 14. Section 44-65-3 of General Laws in Chapter 44-64 entitled "Imaging
18 Services Surcharge" is hereby repealed.

19 ~~**44-65-3. Imposition of surcharge.** (a) A surcharge shall be imposed upon the net
20 patient revenue received by every provider in each month at a rate of two percent (2.0%). Every
21 provider shall pay the monthly surcharge no later than the twenty-fifth (25th) day of each month
22 following the month of receipt of net patient services revenue. This surcharge shall be in addition
23 to any other fees or assessments upon the provider allowable by law.~~

24 SECTION 15. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business
25 Corporation Tax" is hereby amended to read as follows:

26 **44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax
27 equal to nine percent (9%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and
28 apportioned to this state as provided in §§ 44-11-13 -- 44-11-15, for the taxable year. For tax
29 years beginning on or after January 1, 2015, each corporation shall annually pay to the state a tax
30 equal to seven percent (7.0%) of net income, as defined in § 44-11-13 - 44-11-15, for the taxable
31 year.

32 (b) A corporation shall pay the amount of any tax as computed in accordance with
33 subsection (a) of this section after deducting from "net income," as used in this section, fifty
34 percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if

1 for the taxable year:

2 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its
3 own behalf and not as a broker, underwriter, or distributor;

4 (2) Its gross receipts derived from these activities during the taxable year amounted to at
5 least ninety percent (90%) of its total gross receipts derived from all of its activities during the
6 year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
7 consideration, received during the taxable year in connection with the conduct of the taxpayer's
8 activities.

9 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
10 income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten
11 cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of
12 one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the
13 corporation is either a "personal holding company" registered under the federal Investment
14 Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real
15 estate investment trust" as defined in the federal income tax law applicable to the taxable year.
16 "Gross income" means gross income as defined in the federal income tax law applicable to the
17 taxable year, plus:

18 (1) Any interest not included in the federal gross income; minus

19 (2) Interest on obligations of the United States or its possessions, and other interest
20 exempt from taxation by this state; and minus

21 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during
22 the taxable year.

23 (d) (1) A small business corporation having an election in effect under subchapter S, 26
24 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
25 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
26 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after
27 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26
28 U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).

29 (2) The shareholders of the corporation who are residents of Rhode Island shall include
30 in their income their proportionate share of the corporation's federal taxable income.

31 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

32 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

33 (e) Minimum tax. - The tax imposed upon any corporation under this section, including a
34 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et

1 seq., shall not be less than ~~five hundred dollars (\$500)~~ four hundred fifty dollars (\$450).

2 SECTION 16. Unless otherwise amended by this act, Chapter 151, Article 25 of the
3 Public Laws of 2011, Chapter 289 of the Public Laws of 2012 or Chapter 145, Article 13 of the
4 Public Laws of 2014, the terms, conditions, provisions and definitions of Chapter 16 of the Public
5 Laws of 2010 are hereby incorporated by reference and shall remain in full force and effect.

6 SECTION 17. Chapter 16 of the Public Laws of 2010, entitled "An Act Relating to
7 Authorizing the First Amendments to the Master Video Lottery Terminal Contracts," as amended,
8 is hereby further amended as follows: Part B, Section 4(a)(i) is hereby amended to read as
9 follows:

10 (i) to provide for a Newport Grand Term commencing on the effective date of the
11 Newport Grand Master Contract and continuing through and including the fifth (5th) anniversary
12 of such effective date; provided that Newport Grand shall have two (2) successive five (5) years
13 extension options with the First Extension Term, as defined in the Newport Grand Master
14 Contract, commencing on November 23, 2010 and the Second Extension Term, commencing on
15 November 23, 2015. Except as otherwise provided herein in section 4(a)(vii), the exercise of the
16 option to extend said Master Contract shall be subject to the terms and conditions of section 2.3
17 of the Newport Grand Master Contract; provided however, section 2.3B of the Newport Grand's
18 Master Contract shall be amended such that with respect to ~~UTGR's~~ Newport Grand's exercise of
19 its option to extend for the Second Extension Term, Newport Grand shall be required to certify to
20 the Division that (i) there are ~~180~~ one hundred (100) full-time equivalent employees at the
21 Newport Grand facility on the date of the exercise of the option for the Second Extension Term;
22 and (ii) for the one-year period preceding the date said Second Extension Term option is
23 exercised, there had been ~~180~~ one hundred (100) full-time equivalent employees on average, as
24 the term full-time equivalent employee is defined in section 2.3B of the Newport Grand Master
25 Contract and as confirmed by the Rhode Island department of labor and training. In the event that
26 Newport Grand is licensed to host video lottery games and table games at a facility relocated to a
27 location outside the City of Newport and actually offers video lottery games and table games to
28 patrons at such relocated facility, then Newport Grand shall, no later than the six (6) month
29 anniversary of all such events occurring, certify to the Division that there are one hundred eighty
30 (180) full-time equivalent employees at the relocated Newport Grand facility on such date, and in
31 the event Newport Grand is unable to timely make the foregoing certification, the Newport Grand
32 Master Contract shall automatically terminate as of the one year anniversary of all such events
33 occurring.

34 SECTION 18. Authorized Procurement of Fourth Amendment to the Newport Grand

1 Master Contract. Notwithstanding any provision of the general or Public Laws to the contrary, the
2 Division is hereby expressly authorized and directed to enter into with Newport Grand a Fourth
3 Amendment to the Newport Grand Master Contract to make the Newport Grand Master Contract
4 consistent with the provisions of this act, as follows:

5 (a) To require that Newport Grand, in connection with exercising its option to extend for
6 the Second Extension Term, certify to the Division that: (i) There are one hundred (100) full-time
7 equivalent employees at the Newport Grand facility on the date of the exercise of the option for
8 the Second Extension Term; and (ii) For the one-year period preceding the date said Second
9 Extension Term option is exercised, there had been one hundred (100) full-time equivalent
10 employees on average, as the term full-time equivalent employee is defined in section 2.3B of the
11 Newport Grand Master Contract and as confirmed by the Rhode Island Department of Labor and
12 Training. In the event that Newport Grand is licensed to host video lottery games and table games
13 at a facility relocated to a location outside the City of Newport and actually offers video lottery
14 games and table games to patrons at such relocated facility, then Newport Grand shall, no later
15 than the six (6) month anniversary of all such events occurring, certify to the Division that there
16 are one hundred eighty (180) full-time equivalent employees at the relocated Newport Grand
17 facility on such date, and in the event Newport Grand is unable to timely make the foregoing
18 certification, the Newport Grand Master Contract shall automatically terminate as of the one year
19 anniversary of all such events occurring.

20 SECTION 19. Section 41-7-3 of the General Laws in Chapter 41-7 entitled "Jai Alai" is
21 hereby amended to read as follows:

22 **41-7-3. Regulation of operations -- Licensing.** -- (a) The division of racing and athletics
23 is hereby authorized to license jai alai in the city of Newport. The operation of a fronton shall be
24 under the division's supervision. The division is hereby authorized to issue rules and regulations
25 for the supervision of the operations.

26 (b) Any license granted under the provisions of this chapter shall be subject to the rules
27 and regulations promulgated by the division and shall be subject to suspension or revocation for
28 any cause which the division shall deem sufficient after giving the licensee a reasonable
29 opportunity for a hearing at which he or she shall have the right to be represented by counsel. If
30 any license is suspended or revoked, the division shall state the reasons for the suspension or
31 revocation and cause an entry of the reasons to be made on the record books of the division.

32 (c) Commencing July 1, 2003, the division of racing and athletics shall be prohibited to
33 license jai alai in the city of Newport. Any license having been issued and in effect as of that date
34 shall be null and void and any licensee shall be prohibited from operating thereunder; provided,

1 however, that any entity having been issued a license to operate a jai alai fronton prior to July 1,
2 2003, [and any successor in interest to such entity by reason of acquiring the stock or substantially](#)
3 [all of the assets of such entity](#), shall be deemed a pari-mutuel licensee as defined in § 42-61.2-1 et
4 seq., and a licensee as defined in § 41-11-1 et seq.

5 SECTION 20. Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled "Video
6 Lottery Terminal" is hereby amended to read as follows:

7 **42-61.2-1. Definitions.** -- For the purpose of this chapter, the following words shall
8 mean:

9 (1) "Central communication system" means a system approved by the lottery division,
10 linking all video lottery machines at a licensee location to provide auditing program information
11 and any other information determined by the lottery. In addition, the central communications
12 system must provide all computer hardware and related software necessary for the establishment
13 and implementation of a comprehensive system as required by the division. The central
14 communications licensee may provide a maximum of fifty percent (50%) of the video lottery
15 terminals.

16 (2) "Licensed video lottery retailer" means a pari-mutuel licensee specifically licensed
17 by the director subject to the approval of the division to become a licensed video lottery retailer.

18 (3) "Net terminal income" means currency placed into a video lottery terminal less
19 credits redeemed for cash by players.

20 (4) "Pari-mutuel licensee" means an entity licensed and authorized to conduct:

21 (i) Dog racing, pursuant to chapter 3.1 of title 41; and/or

22 (ii) Jai-alai games, pursuant to chapter 7 of title 41.

23 (5) "Technology provider" means any individual, partnership, corporation, or association
24 that designs, manufactures, installs, maintains, distributes, or supplies video lottery machines or
25 associated equipment for the sale or use in this state.

26 (6) "Video lottery games" means lottery games played on video lottery terminals
27 controlled by the lottery division.

28 (7) "Video lottery terminal" means any electronic computerized video game machine
29 that, upon the insertion of cash or any other representation of value that has been approved by the
30 division of lotteries, is available to play a video game authorized by the lottery division, and that
31 uses a video display and microprocessors in which, by chance, the player may receive free games
32 or credits that can be redeemed for cash. The term does not include a machine that directly
33 dispenses coins, cash, or tokens.

34 (8) "Casino gaming" means any and all table and casino-style games played with cards,

1 dice, or equipment, for money, credit, or any representative of value; including, but not limited to,
2 roulette, blackjack, big six, craps, poker, baccarat, paigow, any banking or percentage game, or
3 any other game of device included within the definition of Class III gaming as that term is
4 defined in Section 2703(8) of Title 25 of the United States Code and that is approved by the state
5 through the division of state lottery.

6 (9) "Net table game revenue" means win from table games minus counterfeit currency.

7 (10) "Rake" means a set fee or percentage of cash and chips representing cash wagered
8 in the playing of a nonbanking table game assessed by a table games retailer for providing the
9 services of a dealer, gaming table or location, to allow the play of any nonbanking table game.

10 (11) "Table game" or "Table gaming" means that type of casino gaming in which table
11 games are played for cash or chips representing cash, or any other representation of value that has
12 been approved by the division of lotteries, using cards, dice, or equipment and conducted by one
13 or more live persons.

14 (12) "Table game retailer" means a retailer authorized to conduct table gaming pursuant
15 to §§ 42-61.2-2.1 and 42-61.2-2.2.

16 (13) "Credit facilitator" means any employee of Twin River approved in writing by the
17 division whose responsibility is to, among other things, review applications for credit by players,
18 verify information on credit applications, grant, deny and suspend credit, establish credit limits,
19 increase and decrease credit limits, and maintain credit files, all in accordance with this chapter
20 and rules and regulations approved by the division.

21 (14) "Newport Grand" means Newport Grand, LLC, a Rhode Island limited liability
22 company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and
23 assignee of Newport Grand, LLC under the Newport Grand Master Contract, provided it is a pari-
24 mutuel licensee as defined in § 42-61.2-1 et seq.; provided, however, where the context indicates
25 that the term is referring to the physical facility, then it shall mean the gaming and entertainment
26 facility located at 150 Admiral Kalbfus Road, Newport, Rhode Island.

27 (15) "Newport Grand Marketing Year" means each fiscal year of the state or a portion
28 thereof between November 23, 2010 and the termination date of the Newport Grand Master
29 Contract.

30 (16) "Newport Grand Master Contract" means that certain master video lottery terminal
31 contract made as of November 23, 2005 by and between the Division of Lotteries of the Rhode
32 Island Department of Administration and Newport Grand, as amended and extended from time to
33 time as authorized therein and/or as such Newport Grand Master Contract may be assigned as
34 permitted therein.

1 SECTION 21. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video
2 Lottery Terminal" is hereby amended to read as follows:

3 **42-61.2-7. Division of revenue. [Contingent effective date; see note.] --** (a)

4 Notwithstanding the provisions of § 42-61-15, the allocation of net, terminal income derived from
5 video lottery games is as follows:

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

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

27 (ii) Five one hundredths of one percent (0.05%), up to a maximum of five million dollars
28 (\$5,000,000), shall be appropriated to property tax relief to fully fund the provisions of § 44-33-
29 2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
30 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
31 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
32 less than the prior fiscal year.

33 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund § 44-34.1-1,
34 entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum

1 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
2 shall the exemption in any fiscal year be less than the prior fiscal year.

3 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
4 (0.10%), to a maximum of ten million dollars (\$10,000,000), for supplemental distribution to
5 communities not included in subsection (a)(1)(i) above distributed proportionately on the basis of
6 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008,
7 distributions by community shall be identical to the distributions made in the fiscal year ending
8 June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30,
9 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010, and thereafter,
10 funding shall be determined by appropriation.

11 (2) To the licensed, video-lottery retailer:

12 (a) (i) Prior to the effective date of the ~~NGJA~~ [Newport Grand](#) Master Contract, Newport
13 ~~Jai-Ahi~~ [Grand](#) twenty-six percent (26%), minus three hundred eighty-four thousand nine hundred
14 ninety-six dollars (\$384,996);

15 (ii) On and after the effective date of the ~~NGJA~~ [Newport Grand](#) Master Contract, to the
16 licensed, video-lottery retailer who is a party to the ~~NGJA~~ [Newport Grand](#) Master Contract, all
17 sums due and payable under said Master Contract, minus three hundred eighty four thousand nine
18 hundred ninety-six dollars (\$384,996).

19 (iii) Effective July 1, 2013, the rate of net, terminal income payable to Newport Grand,
20 LLC under the Newport Grand master contract shall increase by two and one quarter percent
21 (2.25%) points. The increase herein shall sunset and expire on June 30, 2015, and the rate in
22 effect as of June 30, 2013, shall be reinstated.

23 (iv)(A) Effective July 1, 2015, the rate of net, terminal income payable to Newport
24 Grand, under the Newport Grand Master Contract shall increase by one and nine-tenths (1.9%)
25 percentage points. (i.e., x% plus 1.9 percentage points equals (x + 1.9)%, where "x%" is the
26 current rate of net terminal income payable to Newport Grand). The dollar amount of additional
27 net terminal income paid to Newport Grand with respect to any Newport Grand Marketing Year
28 as a result of such increase in rate shall be referred to as "Additional Newport Grand Marketing
29 NTI."

30 (B) The excess, if any, of Newport Grand's marketing expenditures with respect to a
31 Newport Grand Marketing Year over one million four hundred thousand dollars (\$1,400,000)
32 shall be referred to as the "Newport Grand Marketing Incremental Spend." Beginning with the
33 Newport Grand Marketing Year that starts on July 1, 2015, after the end of each Newport Grand
34 Marketing Year, Newport Grand shall pay to the Division the amount, if any, by which the

1 Additional Newport Grand Marketing NTI for such Newport Grand Marketing Year exceeds the
2 Newport Grand Marketing Incremental Spend for such Newport Grand Marketing Year; provided
3 however, that Newport Grand's liability to the Division hereunder with respect to any Newport
4 Grand Marketing Year shall never exceed the Additional Newport Grand Marketing NTI paid to
5 Newport Grand with respect to such Newport Grand Marketing Year.

6 The increase herein shall sunset and expire on June 30, 2017, and the rate in effect as of
7 June 30, 2013 shall be reinstated.

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

12 (ii) On and after the effective date of the UTGR master contract, to the licensed, video-
13 lottery retailer that is a party to the UTGR master contract, all sums due and payable under said
14 master contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
15 (\$767,687).

16 (3) (i) To the technology providers that are not a party to the GTECH Master Contract as
17 set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net, terminal
18 income of the provider's terminals; in addition thereto, technology providers that provide
19 premium or licensed proprietary content or those games that have unique characteristics, such as
20 3D graphics; unique math/game play features; or merchandising elements to video lottery
21 terminals; may receive incremental compensation, either in the form of a daily fee or as an
22 increased percentage, if all of the following criteria are met:

23 (A) A licensed, video-lottery retailer has requested the placement of premium or licensed
24 proprietary content at its licensed, video-lottery facility;

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

28 (C) After approval of the request by the division of lottery, the total number of premium
29 or licensed, propriety-content video-lottery terminals does not exceed ten percent (10%) of the
30 total number of video-lottery terminals authorized at the respective licensed, video-lottery
31 retailer; and

32 (D) All incremental costs are shared between the division and the respective licensed,
33 video-lottery retailer based upon their proportionate allocation of net terminal income. The
34 division of lottery is hereby authorized to amend agreements with the licensed, video-lottery

1 retailers, or the technology providers, as applicable, to effect the intent herein.

2 (ii) To contractors that are a party to the master contract as set forth and referenced in
3 Public Law 2003, Chapter 32, all sums due and payable under said master contract; and

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

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

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

13 (ii) Effective July 1, 2015, provided that both:

14 (I) The referendum measure authorizing casino gaming at Newport Grand is approved
15 statewide and by the city of Newport at the statewide general election to be held in November of
16 2014; and

17 (II) The proposed amendment to the Rhode Island Constitution requiring that prior to a
18 change in location where casino gaming is permitted in any city or town, there must be a
19 referendum in said city or town and approval by the majority of those electors voting in said
20 referendum on said proposed change in location in said city or town, is approved statewide at the
21 statewide general election to be held in November of 2014, then then the allocation shall be one
22 and forty-five hundredths percent (1.45%) of net terminal income of authorized video lottery
23 terminals at Newport Grand.

24 (iii) If, effective July 1, 2015, the conditions established in subsections (4)(A)(ii)(I and
25 II) are met, and the following conditions in subsections (4)(A)(iii)(I through III) are met:

26 (I) NGJA or its successor has made an investment of no less than forty million dollars
27 (\$40,000,000) exclusive of acquisition costs within three (3) years, and a certificate of completion
28 and final approval from the city building inspector has been issued for the facility upgraded
29 through this investment; and

30 (II) The number of video lottery terminals in operation is no fewer than those in
31 operation as of January 1, 2014; and

32 (III) Table gaming has commenced in Newport;

33 Then in such event the allocation shall be the greater of one million dollars (\$1,000,000),
34 or one and forty-five hundredths percent (1.45%) of net terminal income of authorized video

1 lottery terminals at Newport Grand, except that for six (6) consecutive, full-fiscal years
2 immediately thereafter, the allocation shall be the greater of one million five hundred thousand
3 dollars (\$1,500,000), or one and forty-five hundredths percent (1.45%) of net-terminal income of
4 authorized video lottery terminals at Newport Grand. Such minimum distribution shall be
5 distributed in twelve (12) equal payments during the fiscal year.

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

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

12 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Article
13 25, Chapter 151, Section 4 of the Public Laws of 2011 is approved statewide and in the Town of
14 Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal
15 income of authorized video lottery terminals at Twin River; and

16 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
17 terminal income of authorized machines at Lincoln Park, up to a maximum of ten million dollars
18 (\$10,000,000) per year, that shall be paid to the Narragansett Indian Tribe for the account of a
19 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
20 ownership and improvement; elderly housing; adult vocational training; health and social
21 services; childcare; natural resource protection; and economic development consistent with state
22 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
23 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
24 further, any monies distributed hereunder shall not be used for, or spent on, previously contracted
25 debts; and

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

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

30 (b) Notwithstanding the above, the amounts payable by the division to UTGR related to
31 the marketing program shall be paid on a frequency agreed by the division, but no less frequently
32 than annually.

33 (c) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director
34 is authorized to fund the marketing program as described above in regard to the first amendment

1 to the UTGR master contract.

2 (d) Notwithstanding the above, the amounts payable by the division to Newport Grand
3 related to the marketing program shall be paid on a frequency agreed by the division, but no less
4 frequently than annually.

5 (e) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director
6 is authorized to fund the marketing program as described above in regard to the first amendment
7 to the Newport Grand master contract.

8 (f) Notwithstanding the provisions of § 42-61-15, the allocation of net, table-game
9 revenue derived from table-games at Twin River is as follows:

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

12 (i) Sixteen percent (16%) of net, table-game revenue, except as provided in § 42-61.2-
13 7(f)(1)(ii);

14 (ii) An additional two percent (2%) of net, table-game revenue generated at Twin River
15 shall be allocated starting from the commencement of table games activities by such table-game
16 retailer and ending, with respect to such table-game retailer, on the first date that such table-game
17 retailer's net terminal income for a full state fiscal year is less than such table-game retailer's net
18 terminal income for the prior state fiscal year, at which point this additional allocation to the state
19 shall no longer apply to such table-game retailer.

20 (2) To UTGR, net, table-game revenue not otherwise disbursed pursuant to above
21 subsection (f)(1); provided, however, on the first date that such table-game retailer's net terminal
22 income for a full state fiscal year is less than such table-game retailer's net terminal income for
23 the prior state fiscal year, as set forth in subsection (f)(1)(ii) above, one percent (1%) of this net,
24 table-game revenue shall be allocated to the town of Lincoln for four (4), consecutive state fiscal
25 years.

26 (g) Notwithstanding the provisions of § 42-61-15, the allocation of net, table-game
27 revenue derived from table games at Newport Grand is as follows:

28 (1) For deposit into the state lottery fund for administrative purposes and then the
29 balance remaining into the general fund: eighteen percent (18%) of net, table-game revenue.

30 (2) [Deleted by P.L. 2014, ch. 436, § 1].SECTION 22. This act shall take effect upon
31 passage.

32 SECTION 22. Sections 6 and 11 shall take effect as of August 1, 2015. Sections 13 and
33 15 shall take effect for the tax year beginning January 1, 2016. The remainder of this article shall
34 take effect as of July 1, 2015.

1 **ARTICLE 12**

2 RELATING TO STATE POLICE PENSIONS

3 SECTION 1. Section 42-28-22.1 of the General Laws in Chapter 42-28 entitled "State
4 Police" is hereby amended to read as follows:

5 **42-28-22.1 Retirement contribution. -- (a) Legislative findings. The general assembly**
6 **finds that:**

7 (1) A trust was created for retirement purposes for members of the state police who were
8 hired after July 1, 1987; however, as of January 1, 2015, there was an unfunded liability of
9 approximately \$200 million attributable to the retirement benefits for members of the state police
10 hired on or before July 1, 1987, and no trust had been created for them.

11 (2) Unless a trust is established, these members' benefits will continue to be funded on a
12 pay-as-you-go basis and would not be recognized as a liability on the state's financial statements
13 under generally accepted accounting purposes.

14 (3) An investigation of Google, Inc., conducted by the Rhode Island U.S. attorney's
15 office and the Rhode Island task force of the U.S. food and drug administration's office of
16 criminal investigations, the department of the attorney general, and state and local police netted
17 settlement amounts of approximately \$230 million to the state, of which \$45.0 million has been
18 allocated for use by the state police.

19 (4) The allocation of Google settlement monies to the state police presents a unique
20 opportunity to reduce the amount of the unfunded liability attributable to the retirement benefits
21 for members of the state police hired on or before July 1, 1987.

22 (5) It is in the best interests of the members of the state police and the taxpayers of this
23 state to reduce the amount of the unfunded liability attributable to retirement benefits for these
24 police officers by creating a separate trust and to fund those benefits on an actuarial basis.

25 ~~(a)~~(b) Each member of the state police initially hired after July 1, 1987 shall have
26 deducted from "compensation" as defined in § 36-8-1(8) beginning July 1, 1989, an amount equal
27 to a rate percent of such compensation of eight and three quarters percent (8.75%). The receipts
28 collected from members of the state police shall be deposited in a restricted revenue account
29 entitled "state police retirement benefits". The proceeds deposited in this account shall be held in
30 trust for the purpose of paying retirement benefits under this section to participating members of

1 the state police or their beneficiaries. The retirement board shall establish rules and regulations to
2 govern the provisions of this section.

3 ~~(b)~~(c) A member of the state police initially hired after July 1, 1987 who withdraws from
4 service or ceases to be a member for any reason other than death or retirement, will, at the
5 member's request, be paid on demand a refund consisting of the accumulated contributions
6 standing to his or her credit in his or her individual account in the state police retirement benefits
7 account. Any member receiving a refund shall thereby forfeit and relinquish all accrued rights as
8 a member of the system together with credits for total service previously granted to the member;
9 provided, however, that if any member who has received a refund shall subsequently reenter the
10 service and again become a member of the system, he or she shall have the privilege of restoring
11 all moneys previously received or disbursed to his or her credit as refund of contributions, plus
12 regular interest for the period from the date of refund to the date of restoration.

13 ~~(e)~~(d) Upon the repayment of the refund ~~as herein~~ provided in subsection (c) above, the
14 member shall again receive credit for the amount of total service which he or she had previously
15 forfeited by the acceptance of the refund.

16 (e) The state shall deposit contributions for members of the state police initially hired on
17 or before July 1, 1987, from time to time (as provided in § 42-28-22.2) to be held in trust. The
18 proceeds of this trust shall pay retirement benefits under this section to participating members of
19 the state police or their beneficiaries. The retirement board shall establish rules and regulations to
20 govern the provisions of this section.

21 SECTION 2. Section 42-28-22.2 of the General Laws in Chapter 42-28 entitled "State
22 Police" is hereby amended to read as follows:

23 **42-28-22.2 State contributions.** -- The state of Rhode Island shall make its contribution
24 for the maintaining of the system established by § 42-28-22.1 and providing the annuities,
25 benefits, and retirement allowances in accordance with the provisions of this chapter by (a)
26 annually appropriating an amount which will pay a rate percent of the compensation paid after
27 July 1, 1989 to members of the state police hired after July 1, 1987 and (b) appropriating an
28 amount which will amortize the unfunded liability associated with the benefits payable to
29 members of the state police hired on or before July 1, 1987. ~~This rate percent~~ The dollar amount
30 specified in subsection (b) above shall be computed on an actuarial basis using an eighteen (18)
31 year amortization schedule commencing on July 1, 2015, taking into account an initial
32 supplemental contribution from the state, and certified in accordance with the procedures set forth
33 in §§ 36-8-13 and 36-10-2 under rules and regulations promulgated by the retirement board
34 pursuant to § 36-8-3.

1 SECTION 3. Section 36-8-1 of the General Laws in Chapter 36-8 entitled "Retirement
2 System – Administration" is hereby amended to read as follows:

3 **36-8-1 Definition of terms.** – The following words and phrases as used in chapters 8 to
4 10 of this title unless a different meaning is plainly required by the context, shall have the
5 following meanings:

6 (1) "Accumulated contributions" shall mean the sum of all the amounts deducted from
7 the compensation of a member and credited to his or her individual pension account.

8 (2) "Active member" shall mean any employee of the state of Rhode Island as defined in
9 this section for whom the retirement system is currently receiving regular contributions pursuant
10 to §§ 36-10-1 and 36-10-1.1.

11 (3) "Actuarial equivalent" shall mean an allowance or benefit of equal value to any other
12 allowance or benefit when computed upon the basis of the actuarial tables in use by the system.

13 (4) "Annuity reserve" shall mean the present value of all payments to be made on account
14 of any annuity, benefit, or retirement allowance granted under the provisions of chapter 10 of this
15 title computed upon the basis of such mortality tables as shall be adopted from time to time by the
16 retirement board with regular interest.

17 (5)(a) "Average compensation" for members eligible to retire as of September 30, 2009
18 shall mean the average of the highest three (3) consecutive years of compensation, within the total
19 service when the average compensation was the highest. For members eligible to retire on or after
20 October 1, 2009, "Average compensation" shall mean the average of the highest five (5)
21 consecutive years of compensation within the total service when the average compensation was
22 the highest.

23 (b) For members who become eligible to retire on or after July 1, 2012, if more than one
24 half (1/2) of the member's total years of service consist of years of service during which the
25 member devoted less than thirty (30) business hours per week to the service of the state, but the
26 member's average compensation consists of three (3) or more years during which the member
27 devoted more than thirty (30) business hours per week to the service of the state, such member's
28 average compensation shall mean the average of the highest ten (10) consecutive years of
29 compensation within the total service when the average compensation was the highest.

30 (6) "Beneficiary" shall mean any person in receipt of a pension, an annuity, a retirement
31 allowance, or other benefit as provided by chapter 10 of this title.

32 (7) "Casual employee" shall mean those persons hired for a temporary period, a period of
33 emergency or an occasional period.

34 (8) "Compensation" as used in chapters 8 – 10 of this title, chapters 16 and 17 of title 16,

1 and chapter 21 of title 45 shall mean salary or wages earned and paid for the performance of
2 duties for covered employment, including regular longevity or incentive plans approved by the
3 board, but shall not include payments made for overtime or any other reason other than
4 performance of duties, including but not limited to the types of payments listed below:

5 (i) Payments contingent on the employee having terminated or died;

6 (ii) Payments made at termination for unused sick leave, vacation leave, or compensatory
7 time;

8 (iii) Payments contingent on the employee terminating employment at a specified time in
9 the future to secure voluntary retirement or to secure release of an unexpired contract of
10 employment;

11 (iv) Individual salary adjustments which are granted primarily in anticipation of the
12 employee's retirement;

13 (v) Additional payments for performing temporary or extra duties beyond the normal or
14 regular work day or work year.

15 (9) "Employee" shall mean any officer or employee of the state of Rhode Island whose
16 business time is devoted exclusively to the services of the state, but shall not include one whose
17 duties are of a casual or seasonal nature. The retirement board shall determine who are employees
18 within the meaning of this chapter. The governor of the state, the lieutenant governor, the
19 secretary of state, the attorney general, the general treasurer, and the members of the general
20 assembly, ex officio, shall not be deemed to be employees within the meaning of that term unless
21 and until they elect to become members of the system as provided in § 36-9-6, but in no case shall
22 it deem as an employee, for the purposes of this chapter, any individual who devotes less than
23 twenty (20) business hours per week to the service of the state, and who receives less than the
24 equivalent of minimum wage compensation on an hourly basis for his or her services, except as
25 provided in § 36-9-24. Any commissioner of a municipal housing authority or any member of a
26 part-time state, municipal or local board, commission, committee or other public authority shall
27 not be deemed to be an employee within the meaning of this chapter.

28 (10) "Full actuarial costs" or "full actuarial value" shall mean the lump sum payable by a
29 member claiming service credit for certain employment for which that payment is required which
30 is determined according to the age of the member and the employee's annual rate of compensation
31 at the time he or she applies for service credit and which is expressed as a rate percent of the
32 employee's annual rate of compensation to be multiplied by the number of years for which he or
33 she claims service credit as prescribed in a schedule adopted by the retirement board from time to
34 time on the basis of computation by the actuary. Except as provided in §§ 16-16-7.1, 36-5-3, 36-

1 9-31, 36-10-10.4, 45-21-53, 36-10-8, 45-21-29, 8-3-16(b), 8-8-10.1(b), 42-28-22.1~~(b)~~(c) and 28-
2 30-18.1(b);

3 (i) all service credit purchases requested after June 16, 2009 and prior to July 1, 2012,
4 shall be at full actuarial value; and

5 (ii) all service credit purchases requested after June 30, 2012 shall be at full actuarial
6 value which shall be determined using the system's assumed investment rate of return minus one
7 percent (1%).

8 The rules applicable to a service credit purchase shall be the rules of the retirement
9 system in effect at the time the purchase application is submitted to the retirement system.

10 (11) "Inactive member" shall mean a member who has withdrawn from service as an
11 employee but who has not received a refund of contributions.

12 (12) "Members" shall mean any person included in the membership of the retirement
13 system as provided in §§ 36-9-1 – 36-9-7.

14 (13) "Prior service" shall mean service as a member rendered before July 1, 1936,
15 certified on his or her prior service certificate and allowable as provided in § 36-9-28.

16 (14) "Regular interest" shall mean interest at the assumed investment rate of return,
17 compounded annually, as may be prescribed from time to time by the retirement board.

18 (15) "Retirement allowance" shall mean annual payments for life made after retirement
19 under and in accordance with chapters 8 to 10 of this title. All allowances shall be paid in equal
20 monthly installments beginning as of the effective date thereof; provided, that a smaller pro rata
21 amount may be paid for part of a month where separation from service occurs during the month
22 in which the application was filed, and when the allowance ceases before the last day of the
23 month.

24 (16) "Retirement board" or "board" shall mean the board provided in § 36-8-3 to
25 administer the retirement system.

26 (17) "Retirement system" shall mean the employees' retirement system of the state of
27 Rhode Island as defined in § 36-8-2.

28 (18) "Service" shall mean service as an employee of the state of Rhode Island as
29 described in subdivision (9) of this section.

30 (19) "Social Security retirement age" shall mean a member's full retirement age as
31 determined in accordance with the federal Old Age, Survivors and Disability Insurance Act, not
32 to exceed age sixty-seven (67).

33 (20) "Total service" shall mean prior service as defined above, plus service rendered as a
34 member on or after July 1, 1936.

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SECTION 4. This article shall take effect upon passage.

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ARTICLE 13

RELATING TO BUDGET ACCOUNTS

SECTION 1. Section 35-4-27 of the General Laws in Chapter 35-4 entitled “State Funds” is hereby amended to read as follows:

35-4-27. Indirect cost recoveries on restricted receipt accounts. – Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt accounts, to be recorded as general revenues in the general fund. However, there shall be no transfer from cash receipts with restrictions received exclusively: (1) from contributions from non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on federal grant funds; or (3) through transfers from state agencies to the department of administration for the payment of debt service. These indirect cost recoveries shall be applied to all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The following restricted receipt accounts shall not be subject to the provisions of this section:

- Executive Office of Health and Human Services
- Organ Transplant Fund
- HIV Care Grant Drug Rebates
- Department of Human Services
- Veterans' home – Restricted account
- Veterans' home – Resident benefits
- Pharmaceutical Rebates Account
- Demand Side Management Grants
- Veteran's Cemetery Memorial Fund
- Donations- New Veterans' Home Construction
- Department of Health
- Providence Water Lead Grant
- Pandemic medications and equipment account
- [Miscellaneous Donations/Grants from Non-Profits](#)
- [State Loan Repayment Match](#)
- Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- Eleanor Slater non-Medicaid third-party payor account

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

1 Department of Children, Youth and Families
2 Children's Trust Accounts – SSI
3 Military Staff
4 RI Military Family Relief Fund
5 RI National Guard Counterdrug Program
6 Treasury
7 Admin. Expenses – State Retirement System
8 Retirement – Treasury Investment Options
9 [Defined Contribution – Administration - RR](#)
10 Violent Crimes Compensation – Refunds
11 Treasury Research Fellowship
12 Business Regulation
13 Banking Division Reimbursement Account
14 Office of the Health Insurance Commissioner Reimbursement Account
15 Securities Division Reimbursement Account
16 Commercial Licensing and Racing and Athletics Division Reimbursement Account
17 Insurance Division Reimbursement Account
18 Historic Preservation Tax Credit Account.
19 Judiciary
20 Arbitration Fund Restricted Receipt Account
21 Third Party Grants
22 [RI Judiciary Technology Surcharge Account](#)
23 Department of Elementary and Secondary Education
24 Statewide Student Transportation Services Account
25 School for the Deaf Fee for Service Account
26 Davies Career and Technical School Local Education Aid Account
27 [Davies – National School Breakfast & Lunch Program](#)
28 Department of Labor and Training
29 Job Development Fund
30 Department of Transportation
31 Rhode Island Highway Maintenance Account
32 SECTION 2. Section 35-6-1 of the General Laws in Chapter 35-6 entitled “Accounts and
33 Control” is hereby amended to read as follows:
34 [35-6-1. Controller – Duties in general.](#) – (a) Within the department of administration

1 there shall be a controller who shall be appointed by the director of administration pursuant to
2 chapter 4 of title 36. The controller shall be responsible for accounting and expenditure control
3 and shall be required to:

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

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

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

10 (4) Preaudit all state receipts and expenditures;

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

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

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

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

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

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

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

34 (iv) A statement of the opening surplus, activity, and closing surplus in the state budget

1 reserve and cash stabilization account and the state bond capital fund.

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

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

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

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

17 ~~(f)~~(e) The controller shall implement a direct deposit payroll system for state employees.

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

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

24 (iii) No later than June 30, 2016, each employee hired before September 30, 2014, who is
25 not a participant in the direct deposit system, shall identify a financial institution that will serve as
26 a personal depository agent for the employee.

27 (iv) The controller shall promulgate rules and regulations as necessary for
28 implementation and administration of the direct deposit system, which shall include limited
29 exceptions to required participation.

30 SECTION 3. Section 1 shall take effect upon passage. Section 2 shall take effect as of
31 July 1, 2014.

32

ARTICLE 14

RELATING TO INFRASTRUCTURE BANK

SECTION 1. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby amended by adding thereto the following chapter:

CHAPTER 19.16

BROWNFIELDS REVOLVING LOAN FUND

23-19.16-1. Legislative findings. -- The general assembly finds and declares that:

(1) Promotion of, and investment in, energy efficient infrastructure will result in the reduction of energy costs for commercial, residential and municipal users which is necessary to maintain and grow Rhode Island's economy; and

(2) There exists the Rhode Island clean water finance agency which can be expanded to assist businesses, residents and municipalities with the coordination and financing of necessary infrastructure improvements and renamed as the Rhode Island infrastructure bank; and

(3) In addition to reducing energy cost, energy efficient infrastructure improvements will result in less pollution, the remediation of Brownfields, coastal nourishment and restoration, safer drinking water and an overall sound environment; and

(4) Cities, towns and other owners of properties designated as Brownfields sites can reduce the costs of borrowing for remediation and/or development of those sites through cooperation with the Rhode Island infrastructure bank; and

(5) Remediation and/or development of Brownfields sites will generate economic activity and utilize properties which were otherwise dormant or underutilized; and

(6) Greater coordination among state and municipal agencies will enable a more efficient allocation of infrastructure resources by the state of Rhode Island.

23-19.16-2. Definitions. -- As used in this chapter, the following terms, unless the context requires a different interpretation, shall have the following meanings:

(1) "Agency" means the Rhode Island infrastructure bank as set forth in chapter 12.2 of title 46;

(2) "Approved project" means any project approved by the agency for financial assistance;

(3) "Brownfields project" means a project proposed by a city, town, person or corporation

1 that would provide for the remediation and/or development of a site within the state of Rhode
2 Island defined as a Brownfields site pursuant to § 101 of the Comprehensive Environmental
3 Response, Compensation, and Liability Act of 1980, as amended;

4 (4) "Corporation" means any corporate person, including, but not limited to, bodies
5 politic and corporate, corporations, societies, associations, partnerships, limited liability
6 companies, sole proprietorships and subordinate instrumentalities of any one or more political
7 subdivisions of the state;

8 (5) "Department" means, for purposes of this chapter, the department of environmental
9 management;

10 (6) "Eligible borrower" or "borrower" means a person, corporation, city, town, or other
11 political subdivision or instrumentality of the state;

12 (7) "Eligible project" means a brownfields project, or portion of a brownfields project,
13 that meets the project evaluation criteria;

14 (8) "Financial assistance" means any form of financial assistance provided by the agency
15 to an eligible borrower in accordance with this chapter for all or any part of the cost of an
16 approved project, including, without limitation, temporary and permanent loans, with or without
17 interest, grants, guarantees, insurance, subsidies for the payment of debt service on loans, lines of
18 credit, and similar forms of financial assistance;

19 (9) "Person" means any natural person;

20 (10) "Project evaluation criteria" means the criteria used by the department to evaluate
21 and rank eligible projects and shall include the extent to which the project generates economic
22 benefits, the extent to which the project would be able to proceed, the cost effectiveness of the
23 project; and

24 (11) "Revolving fund" means the brownfields revolving fund established under this
25 chapter.

26 **23-19.16-3. Establishment of the brownfields revolving fund. --** (a) There is hereby
27 established a brownfields revolving fund. The agency shall establish and set up on its books the
28 brownfields revolving fund, to be held in trust and to be administered by the agency solely as
29 provided in this section and in any trust agreement securing bonds of the agency. The agency
30 shall deposit the following monies into the fund:

31 (1) Amounts appropriated, transferred, or designated to the agency by the state or federal
32 government or any political subdivision thereof for the purposes of this chapter;

33 (2) Loan repayments and other payments received by the agency pursuant to loan
34 agreements with eligible borrowers executed in accordance with this chapter;

- 1 (3) Investment earnings on amounts credited to the fund;
2 (4) Proceeds of bonds of the agency to the extent required by any trust agreement for
3 such bonds;
4 (5) Administrative fees levied by the agency;
5 (6) Other amounts required by provisions of this chapter or agreement, or any other law
6 or any trust agreement pertaining to bonds to be credited to the revolving fund; and
7 (7) Any other funds permitted by law which the agency in its discretion shall determine
8 to credit thereto.

9 (b) The agency shall establish and maintain fiscal controls and accounting procedures
10 conforming to generally accepted government accounting standards sufficient to ensure proper
11 accounting for receipts in and disbursements from the brownfields revolving fund.

12 **23-19.16-4. Administration.** -- (a) The agency shall have all the powers necessary and
13 convenient to carry out and effectuate the purposes and provisions of this chapter including,
14 without limiting the generality of the preceding statement, the authority:

15 (1) To receive and disburse such funds from the state and federal government as may be
16 available for the purpose of the revolving fund subject to the provisions of this chapter;

17 (2) To make and enter into binding commitments to provide financial assistance to
18 eligible borrowers from amounts on deposit in the revolving fund;

19 (3) To levy administrative fees on eligible borrowers as necessary to effectuate the
20 provisions of this chapter, provided the fees have been previously authorized by an agreement
21 between the agency and the eligible borrower;

22 (4) To engage the services of third-party vendors to provide professional services;

23 (5) To establish one or more accounts within the revolving fund; and

24 (6) Such other authority as granted to the agency under chapter 12.2 of title 46.

25 (b) Subject to the provisions of this chapter, to the provisions of any agreement with the
26 state authorized by § 23-19.16-5; and to any agreements with the holders of any bonds of the
27 agency or any trustee therefor, amounts held by the agency for the account of the revolving fund
28 shall be applied by the agency, either by direct expenditure, disbursement, or transfer to one or
29 more other funds and accounts held by the agency or maintained under any trust agreement
30 pertaining to bonds, either alone or with other funds of the agency, to the following purposes:

31 (1) To provide financial assistance to eligible borrowers to finance costs of approved
32 projects, and to refinance the costs of the projects, subject to such terms and conditions, if any, as
33 are determined by the departments and/or the agency in accordance with § 23-19.16-6;

34 (2) To fund reserves for bonds of the agency and to purchase insurance and pay the

1 premiums therefor, and pay fees and expenses of letters or lines of credit and costs of
2 reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to
3 otherwise provide security for, and a source of payment for obligations of the agency, by pledge,
4 lien, assignment, or otherwise as provided in chapter 12.2 of title 46;

5 (3) To pay expenses of the agency and the department in administering the revolving
6 fund. As part of the annual appropriations bill, the department shall set forth the gross amount of
7 expenses received from the agency and a complete, specific breakdown of the sums retained
8 and/or expended for administrative expenses;

9 (4) To provide a reserve for, or to otherwise secure, amounts payable by borrowers on
10 loans and obligations outstanding in the event of default thereof; amounts in any account in the
11 revolving fund may be applied to defaults on loans outstanding to the borrower for which the
12 account was established and, on a parity basis with all other accounts, to defaults on any loans or
13 obligations outstanding; and

14 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
15 otherwise as provided in chapter 12.2 of title 46, any bonds of the agency.

16 (c) In addition to other remedies of the agency under any loan agreement or otherwise
17 provided by law, the agency may also recover from a borrower, in an action in superior court, any
18 amount due the agency together with any other actual damages the agency shall have sustained
19 from the failure or refusal of the borrower to make the payments or abide by the terms of the loan
20 agreement.

21 (d) Within ninety (90) days after the end of each fiscal year, the agency shall submit an
22 annual report to the governor, the speaker of the house of representatives, the president of the
23 senate, and the secretary of state of its activities during that fiscal year. The report shall provide: a
24 summary of the agency's meetings including when the agency met, subjects addressed, decisions
25 rendered and meeting minutes; a summary of the agency's actions including a listing of rules,
26 regulations, or procedures adopted or amended, applications received for financial assistance for
27 contracts or agreements entered into, applications and intended use plans submitted to federal
28 agencies for capitalization grants, properties acquired or leased, and bonds issued; a synopsis of
29 any complaints, suspensions, or other legal matters related to the authority of the agency; a
30 consolidated financial statement of all funds received and disbursed by the agency including the
31 source of and recipient of the funds which shall be audited by an independent certified public
32 accountant firm; copies of audits or reports required under federal law; a listing of the staff and/or
33 consultants employed by the agency; a listing of findings and recommendation derived from
34 agency activities; and a summary of performance during the previous fiscal year including

1 accomplishments, shortcomings and remedies. The report shall be posted as prescribed in § 42-
2 20-8.2. The director of the department of administration shall be responsible for the enforcement
3 of this provision. The initial report shall be due no later than January 1, 2017.

4 **23-19.16-5. Payment of state funds. --** (a) Subject to the provisions of subsection (b),
5 upon the written request of the agency, the general treasurer shall pay to the agency, from time to
6 time, from the proceeds of any bonds or notes issued by the state for the purposes of this chapter
7 or funds otherwise lawfully payable to the agency for the purposes of this chapter, such amounts
8 as shall have been appropriated or lawfully designated for the revolving fund. All amounts so
9 paid shall be credited to the revolving fund in addition to any other amounts credited or expected
10 to be credited to the revolving fund.

11 (b) The agency and the state shall enter into, execute, and deliver one or more agreements
12 setting forth or otherwise determining the terms, conditions, and procedures for, and the amount,
13 time, and manner of payment of, all amounts available from the state to the agency under this
14 section.

15 **23-19.16-6. Procedure for project approval. --** The department of environmental
16 management, in consultation with the Rhode Island commerce corporation, shall promulgate rules
17 and regulations establishing the project evaluation criteria and a project priority list and the
18 process through which an eligible borrower may submit an application for inclusion of a
19 brownfields project on the project priority list. Upon issuance of the project priority list by the
20 department of environmental management, the project priority list shall be used by the Rhode
21 Island infrastructure bank to determine the order in which financial assistance shall be awarded.
22 The Rhode Island infrastructure bank shall promulgate rules and regulations to effectuate the
23 provisions of this section which may include, without limitation, forms for financial assistance
24 applications, loan agreements, and other instruments. All rules and regulations promulgated
25 pursuant to this chapter shall be promulgated in accordance with the provisions of chapter 35 of
26 title 42.

27 **23-19.16-7. Expenses incurred by the department. --** In order to provide for the
28 expenses of the department under this chapter, the agency shall transfer to the department an
29 amount from the revolving fund equal to the amount authorized by the general assembly.

30 **23-19.16-8. Severability. --** If any provision of this chapter or the application of this
31 chapter to any person, corporations, or circumstances is held invalid, the invalidity shall not affect
32 other provisions or applications of the chapter, which can be given effect without the invalid
33 provision or application, and to this end the provisions of this chapter are declared to be
34 severable.

1 SECTION 2. Sections 24-18-2 and 24-18-3 of the General Laws in Chapter 24-18
2 entitled "Municipal Road and Bridge Revolving Fund" are hereby amended to read as follows:

3 **24-18-2. Legislative findings.** -- The general assembly finds and declares that:

4 (1) Transportation plays a critical role in enabling economic activity in the state of Rhode
5 Island;

6 (2) Cities and towns can lower the costs of borrowing for road and bridge projects
7 through cooperation with the ~~Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#);

8 (3) The clean water and drinking water fund programs administered by the ~~Clean Water~~
9 ~~Finance Agency~~ [Rhode Island infrastructure bank](#) benefit from the highest bond rating of any
10 public entity in the state of Rhode Island; and

11 (4) Greater coordination among cities and towns will enable more efficient allocation of
12 infrastructure resources by the state of Rhode Island.

13 **24-18-3. Definitions.** -- As used in this chapter, the following terms, unless the context
14 requires a different interpretation, shall have the following meanings:

15 (1) "Agency" means the ~~Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#)
16 as set forth in chapter 46-12.2;

17 (2) "Annual construction plan" means the finalized list of approved projects to commence
18 construction each calendar year;

19 (3) "Approved project" means any project approved by the agency for financial
20 assistance;

21 (4) "Department" means the department of transportation, or, if the department shall be
22 abolished, the board, body, or commission succeeding to the principal functions thereof or upon
23 whom the powers given by chapter 5 of title 37 to the department shall be given by law.

24 (5) "Eligible project" means an infrastructure plan, or portion of an infrastructure plan,
25 that meets the project evaluation criteria;

26 (6) "Financial assistance" means any form of financial assistance other than grants
27 provided by the agency to a city or town in accordance with this chapter for all or any part of the
28 cost of an approved project, including, without limitation, temporary and permanent loans, with
29 or without interest, guarantees, insurance, subsidies for the payment of debt service on loans,
30 lines of credit, and similar forms of financial assistance;

31 (7) "Infrastructure plan" means a project proposed by a city or town that would make
32 capital improvements to roads, bridges and appurtenances thereto consistent with project
33 evaluation criteria;

34 (8) "Market rate" means the rate the city or town would receive in the open market at the

1 time of the original loan agreement as determined by the agency in accordance with its rules and
2 regulations;

3 (9) "Project evaluation criteria" means the criteria used by the department to evaluate
4 infrastructure plans and rank eligible projects and shall include the extent to which the project
5 generates economic benefits, the extent to which the project would be able to proceed at an earlier
6 date, the likelihood that the project would provide mobility benefits, the cost effectiveness of the
7 project, the likelihood that the project would increase safety, and the project's readiness to
8 proceed within the forthcoming calendar year;

9 (10) "Project priority list" means the list of eligible projects ranked in the order in which
10 financial assistance shall be awarded by the agency pursuant to section 7 of this chapter;

11 (11) "Revolving fund" means the municipal road and bridge revolving fund established
12 under section 4 of this chapter; and

13 (12) "Subsidy assistance" means credit enhancements and other measures to reduce the
14 borrowing costs for a city or town.

15 SECTION 3. Section 35-3-7.2 of the General Laws in Chapter 35-3 entitled "State
16 Budget" is hereby amended to read as follows:

17 **35-3-7.2. Budget officer as capital development officer. --** The budget officer shall be a
18 capital development program officer who shall be responsible for:

19 (1) The review of all capital development requests submitted by the various state
20 departments, as set forth in chapter 6 of title 42, which shall include all independent boards and
21 commissions and the capital development plans of the Narragansett Bay Commission, ~~Rhode~~
22 ~~Island Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#), the Lottery Commission,
23 and all other public corporations, as defined in chapter 18 of this title which plans would be
24 subject to the provisions of § 35-18-3; provided, that, except as provided for in this section,
25 nothing in this section shall be construed to limit the powers of the board of governors for higher
26 education as outlined in chapter 59 of title 16. Capital development requests and plans shall be
27 submitted in such form, with such explanation, in such number of copies, and by such date as the
28 budget officer may require. Copies shall also be provided directly to the house fiscal advisor and
29 the senate fiscal advisor.

30 (2) Preparation of a capital budget which shall specify which capital items are proposed
31 for presentation to the electorate at the next general election.

32 (3) The activities which will promote capital development planning and develop criteria
33 which can be used to determine appropriate levels of bonded indebtedness.

34 (4) Acting as chairperson of the capital development planning and oversight commission

1 which is to be appointed by the governor. The commission, in addition to recommending to the
2 governor the biennial capital budget, shall implement a long range capital development planning
3 process and shall be responsible for the development of an inventory of state assets to determine
4 the need and prioritization of capital improvements.

5 (5) Working with the board of governors for higher education in the development by the
6 board of that portion of the board's capital development program involving annual general
7 revenues.

8 SECTION 4. Section 35-18-3 of the General Laws in Chapter 35-18 entitled "Public
9 Corporation Debt Management" is hereby amended to read as follows:

10 **35-18-3. Approval by the general assembly.** -- (a) No elected or appointed state official
11 may enter into any financing lease or into any guarantee with any person without the prior
12 approval of the general assembly unless:

13 (1) The governor certifies that federal funds will be available to make all of the payments
14 which the state is or could be obligated to make under the financing lease or guarantee; or

15 (2) The general assembly has adjourned for the year with the expectation that it will not
16 meet again until the following year and the governor certifies that action is necessary, because of
17 events occurring after the general assembly has adjourned, to protect the physical integrity of an
18 essential public facility, to ensure the continued delivery of essential public services, or to
19 maintain the credit worthiness of the state in the financial markets.

20 (b) No bonds may be issued or other obligation incurred by any public corporation to
21 finance, in whole or in part, the construction, acquisition, or improvement of any essential public
22 facility without the prior approval of the general assembly, unless:

23 (1) The governor certifies that federal funds will be available to make all of the payments
24 required to be made by the public corporation in connection with the bond or obligation. The
25 certification shall be transmitted to the speaker of the house and the president of the senate with
26 copies to the chairpersons of the respective finance committees and fiscal advisors; or

27 (2) The general assembly has adjourned for the year with the expectation that it will not
28 meet again until the following year and the governor certifies that action is necessary, because of
29 events occurring after the general assembly has adjourned, to protect the physical integrity of an
30 essential public facility, to ensure the continued delivery of essential public services, or to
31 maintain the credit worthiness of the state in the financial markets. The certification shall be
32 transmitted to the speaker of the house and the president of the senate, with copies to the
33 chairpersons of the respective finance committees and fiscal advisors.

34 (c) In addition to, and not by way of limitation on, the exemptions provided in

1 subsections (a) and (b), prior approval by the general assembly shall not be required under this
2 chapter for bonds or other obligations issued by, or financing leases or guarantee agreements
3 entered into by:

4 (1) The Rhode Island industrial facilities corporation; provided financing leases, bonds or
5 other obligations are being issued for an economic development project;

6 (2) The ~~Rhode Island Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#);

7 (3) The Rhode Island housing and mortgage finance corporation;

8 (4) The Rhode Island student loan authority;

9 (5) Any public corporation to refund any bond or other obligation issued by the public
10 corporation to finance the acquisition, construction, or improvement of an essential public facility
11 provided that the governor certifies to the speaker of the house and the president of the senate,
12 with copies to the chairpersons of the respective finance committees and fiscal advisors that the
13 refunding shall provide a net benefit to the issuer; provided, however, obligations of the Rhode
14 Island resource recovery corporation outstanding on July 31, 1999, may be refunded by the
15 issuance of obligations on or before August 1, 1999;

16 (6) The Narragansett Bay ~~water quality management district~~ commission;

17 (7) The Rhode Island health and educational building corporation, except bonds or other
18 obligations issued in connection with the acquisition, construction, or improvement of any facility
19 used by any state agency, department, board, or commission, including the board of governors for
20 higher education, to provide services to the public pursuant to the requirements of state or federal
21 law, and all fixtures for any of those facilities; and

22 (8) The state to refund any financing leases entered into with the authorization of the
23 general assembly, provided that the governor certifies to the speaker of the house and the
24 president of the senate, with copies to the chairpersons of the respective finance committees and
25 fiscal advisors, that the refunding shall provide a net benefit to the state.

26 (d) Nothing contained in this section applies to any loan authorized to be borrowed under
27 Article VI, § 16 or 17 of the Rhode Island Constitution.

28 (e) Nothing in this section is intended to expand in any way the borrowing authority of
29 any public corporation under its charter.

30 (f)(1) Any certification made by the governor under subsection (a), (b), or (c) of this
31 section may be relied upon by any person, including without limitation, bond counsel.

32 (2) The certifications shall be transmitted to the speaker of the house and the president of
33 the senate with copies to the chairpersons of the respective finance committees and fiscal
34 advisors.

1 (g) Except as provided for in this chapter, the requirements of this chapter supersede any
2 other special or general provision of law, including any provision which purports to exempt sales
3 or leases between the state and a public corporation from the operation of any law.

4 SECTION 5. Section 39-1-27.7 of the General Laws in Chapter 39-1 entitled "Public
5 Utilities Commission" is hereby amended to read as follows:

6 **39-1-27.7. System reliability and least-cost procurement.** -- Least-cost procurement
7 shall comprise system reliability and energy efficiency and conservation procurement as provided
8 for in this section and supply procurement as provided for in § 39-1-27.8, as complementary but
9 distinct activities that have as common purpose meeting electrical and natural gas energy needs in
10 Rhode Island, in a manner that is optimally cost-effective, reliable, prudent and environmentally
11 responsible.

12 (a) The commission shall establish not later than June 1, 2008, standards for system
13 reliability and energy efficiency and conservation procurement, which shall include standards and
14 guidelines for:

15 (1) System reliability procurement, including but not limited to:

16 (i) Procurement of energy supply from diverse sources, including, but not limited to,
17 renewable energy resources as defined in chapter 26 of this title;

18 (ii) Distributed generation, including, but not limited to, renewable energy resources and
19 thermally leading combined heat and power systems, which is reliable and is cost-effective, with
20 measurable, net system benefits;

21 (iii) Demand response, including, but not limited to, distributed generation, back-up
22 generation and on-demand usage reduction, which shall be designed to facilitate electric customer
23 participation in regional demand response programs, including those administered by the
24 independent service operator of New England ("ISO-NE") and/or are designed to provide local
25 system reliability benefits through load control or using on-site generating capability;

26 (iv) To effectuate the purposes of this division, the commission may establish standards
27 and/or rates (A) for qualifying distributed generation, demand response, and renewable energy
28 resources; (B) for net-metering; (C) for back-up power and/or standby rates that reasonably
29 facilitate the development of distributed generation; and (D) for such other matters as the
30 commission may find necessary or appropriate.

31 (2) Least-cost procurement, which shall include procurement of energy efficiency and
32 energy conservation measures that are prudent and reliable and when such measures are lower
33 cost than acquisition of additional supply, including supply for periods of high demand.

34 (b) The standards and guidelines provided for by subsection (a) shall be subject to

1 periodic review and as appropriate amendment by the commission, which review will be
2 conducted not less frequently than every three (3) years after the adoption of the standards and
3 guidelines.

4 (c) To implement the provisions of this section:

5 (1) The commissioner of the office of energy resources and the energy efficiency and
6 resources management council, either or jointly or separately, shall provide the commission
7 findings and recommendations with regard to system reliability and energy efficiency and
8 conservation procurement on or before March 1, 2008, and triennially on or before March 1,
9 thereafter through March 1, 20~~17~~30. The report shall be made public and be posted electronically
10 on the website to the office of energy resources.

11 (2) The commission shall issue standards not later than June 1, 2008, with regard to plans
12 for system reliability and energy efficiency and conservation procurement, which standards may
13 be amended or revised by the commission as necessary and/or appropriate.

14 (3) The energy efficiency and resources management council shall prepare by July 15,
15 2008, a reliability and efficiency procurement opportunity report which shall identify
16 opportunities to procure efficiency, distributed generation, demand response and renewables,
17 which report shall be submitted to the electrical distribution company, the commission, the office
18 of energy resources and the joint committee on energy.

19 (4) Each electrical and natural gas distribution company shall submit to the commission
20 on or before September 1, 2008, and triennially on or before September 1, thereafter through
21 September 1, ~~2017~~ 2030, a plan for system reliability and energy efficiency and conservation
22 procurement. In developing the plan, the distribution company may seek the advice of the
23 commissioner and the council. The plan shall include measurable goals and target percentages for
24 each energy resource, pursuant to standards established by the commission, including efficiency,
25 distributed generation, demand response, combined heat and power, and renewables. The plan
26 shall be made public and be posted electronically on the website to the office of energy resources,
27 and shall also be submitted to the general assembly.

28 (5) The commission shall issue an order approving all energy efficiency measures that are
29 cost effective and lower cost than acquisition of additional supply, with regard to the plan from
30 the electrical and natural gas distribution company, and reviewed and approved by the energy
31 efficiency and resources management council, and any related annual plans, and shall approve a
32 fully reconciling funding mechanism to fund investments in all efficiency measures that are cost
33 effective and lower cost than acquisition of additional supply, not greater than sixty (60) days
34 after it is filed with the commission.

1 (6)(i) Each electrical and natural gas distribution company shall provide a status report,
2 which shall be public, on the implementation of least cost procurement on or before December
3 15, 2008, and on or before February 1, 2009, to the commission, the division, the commissioner
4 of the office of energy resources and the energy efficiency and resources management council
5 which may provide the distribution company recommendations with regard to effective
6 implementation of least cost procurement. The report shall include the targets for each energy
7 resource included in the order approving the plan and the achieved percentage for energy
8 resource, including the achieved percentages for efficiency, distributed generation, demand
9 response, combined heat and power, and renewables as well as the current funding allocations for
10 each eligible energy resource and the businesses and vendors in Rhode Island participating in the
11 programs. The report shall be posted electronically on the website of the office of energy
12 resources.

13 (ii) Beginning on November 1, 2012 or before, each electric distribution company shall
14 support the installation and investment in clean and efficient combined heat and power
15 installations at commercial, institutional, municipal, and industrial facilities. This support shall be
16 documented annually in the electric distribution company's energy efficiency program plans. In
17 order to effectuate this provision, the energy efficiency and resource management council shall
18 seek input from the public, the gas and electric distribution company, the economic development
19 corporation, and commercial and industrial users, and make recommendations regarding services
20 to support the development of combined heat and power installations in the electric distribution
21 company's annual and triennial energy efficiency program plans.

22 (iii) The energy efficiency annual plan shall include, but not be limited to, a plan for
23 identifying and recruiting qualified combined heat and power projects, incentive levels, contract
24 terms and guidelines, and achievable megawatt targets for investments in combined heat and
25 power systems. In the development of the plan, the energy efficiency and resource management
26 council and the electric distribution company shall factor into the combined heat and power plan
27 and program, the following criteria: (A) Economic development benefits in Rhode Island,
28 including direct and indirect job creation and retention from investments in combined heat and
29 power systems; (B) Energy and cost savings for customers; (C) Energy supply costs; (D)
30 Greenhouse gas emissions standards and air quality benefits; and (E) System reliability benefits.

31 (iv) The energy efficiency and resource management council shall conduct at least one
32 public review meeting annually, to discuss and review the combined heat and power program,
33 with at least seven (7) business day's notice, prior to the electric and gas distribution utility
34 submitting the plan to the commission. The commission shall evaluate the submitted combined

1 heat and power program as part of the annual energy efficiency plan. The commission shall issue
2 an order approving the energy efficiency plan and programs within sixty (60) days of the filing.

3 (d) If the commission shall determine that the implementation of system reliability and
4 energy efficiency and conservation procurement has caused or is likely to cause under or over-
5 recovery of overhead and fixed costs of the company implementing said procurement, the
6 commission may establish a mandatory rate adjustment clause for the company so affected in
7 order to provide for full recovery of reasonable and prudent overhead and fixed costs.

8 (e) The commission shall conduct a contested case proceeding to establish a performance
9 based incentive plan which allows for additional compensation for each electric distribution
10 company and each company providing gas to end-users and/or retail customers based on the level
11 of its success in mitigating the cost and variability of electric and gas services through
12 procurement portfolios.

13 SECTION 6. Section 39-2-1.2 of the General Laws in Chapter 39-2 entitled "Duties of
14 Utilities and Carriers" is hereby amended as follows:

15 **39-2-1.2. Utility base rate -- Advertising, demand side management and renewables -**

16 (a) In addition to costs prohibited in section 39-1-27.4(b), no public utility distributing or
17 providing heat, electricity, or water to or for the public shall include as part of its base rate any
18 expenses for advertising, either direct or indirect, which promotes the use of its product or
19 service, or is designed to promote the public image of the industry. No public utility may furnish
20 support of any kind, direct, or indirect, to any subsidiary, group, association, or individual for
21 advertising and include the expense as part of its base rate. Nothing contained in this section shall
22 be deemed as prohibiting the inclusion in the base rate of expenses incurred for advertising,
23 informational or educational in nature, which is designed to promote public safety conservation of
24 the public utility's product or service. The public utilities commission shall promulgate such rules
25 and regulations as are necessary to require public disclosure of all advertising expenses of any
26 kind, direct or indirect, and to otherwise effectuate the provisions of this section.

27 (b) Effective as of January 1, 2008, and for a period of ~~ten (10)~~ twenty-one (21) years
28 thereafter, each electric distribution company shall include a ~~charges~~ charge per kilowatt-hour
29 delivered to fund demand side management programs. The 0.3 mills per kilowatt-hour delivered
30 to fund renewable energy programs shall remain in effect until December 31, 2017. The electric
31 distribution company shall establish and, after July 1, 2007, maintain two (2) separate accounts,
32 one for demand side management programs (the "demand side account"), which shall be funded
33 by the electric demand side charge and administered and implemented by the distribution
34 company, subject to the regulatory reviewing authority of the commission, and one for renewable

1 energy programs, which shall be administered by the ~~economic development corporation~~ [Rhode](#)
2 [Island commerce corporation](#) pursuant to § 42-64-13.2 and, shall be held and disbursed by the
3 distribution company as directed by the ~~economic development corporation~~ [Rhode Island](#)
4 [commerce corporation](#) for the purposes of developing, promoting and supporting renewable
5 energy programs.

6 During the ~~ten (10)-year period~~ [time periods established in § 39-2-1.2\(b\)](#), the commission
7 may, in its discretion, after notice and public hearing, increase the sums for demand side
8 management and renewable resources. ~~thereafter,~~ [In addition,](#) the commission shall, after notice
9 and public hearing, determine the appropriate charges for these programs. The office of energy
10 resources and/or the administrator of the renewable energy programs may seek to secure for the
11 state an equitable and reasonable portion of renewable energy credits or certificates created by
12 private projects funded through those programs. As used in this section, "renewable energy
13 resources" shall mean: (1) power generation technologies as defined in § 39-26-5, "eligible
14 renewable energy resources", including off grid and on-grid generating technologies located in
15 Rhode Island as a priority; (2) research and development activities in Rhode Island pertaining to
16 eligible renewable energy resources and to other renewable energy technologies for electrical
17 generation; or (3) projects and activities directly related to implementing eligible renewable
18 energy resources projects in Rhode Island. Technologies for converting solar energy for space
19 heating or generating domestic hot water may also be funded through the renewable energy
20 programs. Fuel cells may be considered an energy efficiency technology to be included in
21 demand sided management programs. Special rates for low-income customers in effect as of
22 August 7, 1996 shall be continued, and the costs of all of these discounts shall be included in the
23 distribution rates charged to all other customers. Nothing in this section shall be construed as
24 prohibiting an electric distribution company from offering any special rates or programs for low-
25 income customers which are not in effect as of August 7, 1996, subject to the approval by the
26 commission.

27 (1) The renewable energy investment programs shall be administered pursuant to rules
28 established by the ~~economic development corporation.~~ [Rhode Island commerce corporation](#). Said
29 rules shall provide transparent criteria to rank qualified renewable energy projects, giving
30 consideration to:

- 31 (i) the feasibility of project completion;
- 32 (ii) the anticipated amount of renewable energy the project will produce;
- 33 (iii) the potential of the project to mitigate energy costs over the life of the project; and
- 34 (iv) the estimated cost per kilo-watt hour (kwh) of the energy produced from the project.

1 (c) [Deleted by P.L. 2012, ch. 241, § 14].

2 (d) The executive director of the economic development corporation is authorized and
3 may enter into a contract with a contractor for the cost effective administration of the renewable
4 energy programs funded by this section. A competitive bid and contract award for administration
5 of the renewable energy programs may occur every three (3) years and shall include as a
6 condition that after July 1, 2008 the account for the renewable energy programs shall be
7 maintained and administered by the economic development corporation as provided for in
8 subdivision (b) above.

9 (e) Effective January 1, 2007, and for a period of ~~eleven (11)~~ twenty-two (22) years
10 thereafter, each gas distribution company shall include, with the approval of the commission, a
11 charge per deca therm delivered to fund demand side management programs (the "gas demand
12 side charge"), including, but not limited to, programs for cost effective energy efficiency, energy
13 conservation, combined heat and power systems, and weatherization services for low income
14 households.

15 (f) ~~The~~ Each gas company shall establish a separate account for demand side
16 management programs (the "gas demand side account"), which shall be funded by the gas
17 demand side charge and administered and implemented by the distribution company, subject to
18 the regulatory reviewing authority of the commission. The commission may establish
19 administrative mechanisms and procedures that are similar to those for electric demand side
20 management programs administered under the jurisdiction of the commissions and that are
21 designed to achieve cost-effectiveness and high life-time savings of efficiency measures
22 supported by the program.

23 (g) The commission may, if reasonable and feasible, except from this demand side
24 management charge:

25 (i) gas used for distribution generation; and

26 (ii) gas used for the manufacturing processes, where the customer has established a self
27 directed program to invest in and achieve best effective energy efficiency in accordance with a
28 plan approved by the commission and subject to periodic review and approval by the
29 commission, which plan shall require annual reporting of the amount invested and the return on
30 investments in terms of gas savings.

31 (h) The commission may provide for the coordinated and/or integrated administration of
32 electric and gas demand side management programs in order to enhance the effectiveness of the
33 programs. Such coordinated and/or integrated administration may after March 1, 2009, upon the
34 recommendation of the office of energy resources, be through one or more third-party entities

1 designated by the commission pursuant to a competitive selection process.

2 (i) Effective January 1, 2007, the commission shall allocate from demand-side
3 management gas and electric funds authorized pursuant to this section 39-2-1.2, an amount not to
4 exceed two percent (2%) of such funds on an annual basis for the retention of expert consultants,
5 and reasonable administration costs of the energy efficiency and resources management council
6 associated with planning, management, and evaluation of energy efficiency programs, renewable
7 energy programs, system reliability, least-cost procurement, and with regulatory proceedings,
8 contested cases, and other actions pertaining to the purposes, powers and duties of the council,
9 which allocation may by mutual agreement, be used in coordination with the office of energy
10 resources to support such activities.

11 (j) Effective January 1, ~~2013~~ 2016, the commission shall annually allocate from the
12 administrative funding amount allocated in (i) from the demand-side management program as
13 described in subsection (i) as follows: ~~sixty percent (60%)~~ fifty percent (50%) for the purposes
14 identified in subsection (i) and ~~forty percent (40%)~~ fifty percent (50%) annually to the office of
15 energy resources for activities associated with planning management, and evaluation of energy
16 efficiency programs, renewable energy programs, system reliability, least-cost procurement, and
17 with regulatory proceedings, contested cases, and other actions pertaining to the purposes, powers
18 and duties of the office of energy resources.

19 (k) On April 15, of each year the office and the council shall submit to the governor, the
20 president of the senate, and the speaker of the house of representatives, separate financial and
21 performance reports regarding the demand-side management programs, including the specific
22 level of funds that were contributed by the residential, municipal, and commercial and industrial
23 sectors to the overall programs; the businesses, vendors, and institutions that received funding
24 from demand-side management gas and electric funds used for the purposes in section 39-2-1.2;
25 and the businesses, vendors, and institutions that received the administrative funds for the
26 purposes in sections 39-2-1.2(i) and 39-2-1.2(j). These reports shall be posted electronically on
27 the websites of the office of energy resources and the energy efficiency resources management
28 council.

29 (l) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank,
30 each electric distribution company, except for the Pascoag Utility District and Block Island Power
31 Company, shall remit two percent (2%) of the amount of the 2014 electric demand side charge
32 collections to the Rhode Island infrastructure bank in accordance with the terms of § 46-12.2-
33 14.1.

34 (m) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank,

1 [each gas distribution company shall remit two percent \(2%\) of the amount of the 2014 gas](#)
2 [demand side charge collections to the Rhode Island infrastructure bank in accordance with the](#)
3 [terms of § 46-12.2-14.1.](#)

4 SECTION 7. Section 39-26-7 of the General Laws in Chapter 39-26 entitled "Renewable
5 Energy Standard" is hereby amended to read as follows:

6 **39-26-7. Renewable energy development fund --** (a) There is hereby authorized and
7 created within the ~~economic development corporation~~ [Rhode Island commerce corporation](#) a
8 renewable energy development fund for the purpose of increasing the supply of NE-GIS
9 certificates available for compliance in future years by obligated entities with renewable energy
10 standard requirements, as established in this chapter. The fund shall be located at ~~and~~
11 ~~administered by the Rhode Island economic development corporation~~ [the Rhode Island](#)
12 [commerce corporation](#) ~~in accordance with § 42-64-13.2.~~ The ~~economic development corporation~~
13 [Rhode Island commerce corporation](#) shall:

14 [Administer the fund and adopt](#) ~~Adopt~~ plans and guidelines for the management and use of
15 the fund in ~~accordance with § 42-64-13.2~~ [coordination with the office of energy resources and the](#)
16 [Rhode Island infrastructure bank](#) ~~accordance with section 42-64-13.2,~~ and

17 (b) The ~~economic development corporation~~ [Rhode Island commerce corporation](#) shall
18 enter into agreements with obligated entities to accept alternative compliance payments,
19 consistent with rules of the commission and the purposes set forth in this section; and alternative
20 compliance payments received pursuant to this section shall be trust funds to be held and applied
21 solely for the purposes set forth in this section.

22 (c) The uses of the fund shall include but not be limited to:

23 (1) Stimulating investment in renewable energy development by entering into
24 agreements, including multi-year agreements, for renewable energy certificates;

25 (2) Establishing and maintaining a residential renewable energy program using eligible
26 technologies in accordance with § 39-26-5;

27 (3) Providing technical and financial assistance to municipalities for interconnection and
28 feasibility studies, and/or the installation of renewable energy projects;

29 [\(4\) Implementing and supporting commercial and residential property assessed clean](#)
30 [energy projects;](#)

31 ~~(45)~~ Issuing assurances and/or guarantees to support the acquisition of renewable energy
32 certificates and/or the development of new [renewable](#) energy sources for Rhode Island;

33 ~~(56)~~ Establishing escrows, reserves, and/or acquiring insurance for the obligations of the
34 fund;

1 (67) Paying administrative costs of the fund incurred by the [Rhode Island commerce](#)
2 [corporation](#), ~~economic development corporation, the board of trustees, or the Rhode Island~~
3 [infrastructure bank and the](#) office of energy resources, not to exceed ten percent (10%) of the
4 income of the fund, including, but not limited to, alternative compliance payments. All funds
5 transferred from the ~~economic development corporation~~ [Rhode Island commerce corporation](#) to
6 support the office of energy resources' administrative costs shall be deposited as restricted
7 receipts.

8 [\(d\) All applications received for the use of the fund shall be reviewed by the Rhode](#)
9 [Island commerce corporation in consultation with the office of energy resources and the Rhode](#)
10 [Island infrastructure bank.](#)

11 ~~(de)~~ NE-GIS certificates acquired through the fund may be conveyed to obligated entities
12 or may be credited against the renewable energy standard for the year of the certificate provided
13 that the commission assesses the cost of the certificates to the obligated entity, or entities,
14 benefiting from the credit against the renewable energy standard, which assessment shall be
15 reduced by previously made alternative compliance payments and shall be paid to the fund.

16 SECTION 8. The title of Chapter 39-26.5 of the General Laws entitled "Property
17 Assessed Clean Energy - Residential Program" is hereby amended to read as follows:

18 ~~CHAPTER 39-26.5~~

19 ~~Property Assessed Clean Energy - Residential Program~~

20 [CHAPTER 39-26.5](#)

21 [PROPERTY ASSESSED CLEAN ENERGY PROGRAM](#)

22 SECTION 9. Sections 39-26.5-1, 39-26.5-2, 39-26.5-3, 39-26.5-4, 39-26.5-5, 39-26.5-6,
23 39-26.5-7, 39-26.5-8, 39-26.5-9, 39-26.5-10 and 39-26.5-11, of the General Laws in Chapter 39-
24 26.5 entitled "Property Assessed Clean Energy -- Residential Program" are hereby amended to
25 read as follows:

26 **39-26.5-1. Legislative findings. --** It is hereby found and declared:

27 (1) Investing in energy efficiency and renewable energy improvements is financially
28 beneficial over time, as well as good for the environment;

29 (2) Upfront costs are a barrier to investments in major energy improvements [for both](#)
30 [commercial and residential property owners](#);

31 (3) There are few financing options available that combine easy qualification, an
32 attractive interest rate, and a relatively long repayment term;

33 (4) Property-assessed clean energy, hereinafter referred to as PACE, is a voluntary
34 financing mechanism which allows ~~homeowners~~ [both residential and commercial property](#)

1 owners to access affordable, long-term financing for ~~energy upgrades to~~ renewable energy and
2 energy efficiency upgrades including, but not limited to, system reliability upgrades, alternative
3 fuel infrastructure upgrades, and other eligible environmental health and environmental safety
4 upgrades on their property;

5 (5) PACE financing offers incremental special assessment payments that are low and
6 fixed for up to twenty (20) years, with no upfront costs; the PACE special assessment fees
7 transfer to the new owner when a property is sold, or the assessment obligation can be paid in full
8 at transfer; and electricity and fuel bills are lower than they would be without the improvements;
9 and

10 (6) PACE financing will ~~allow~~ create a means for Rhode Island cities and towns to
11 ~~contribute in order to~~ provide a mechanism to ~~help meet~~ increase community sustainability,
12 greenhouse gas emissions reductions, and meet other energy goals and will also provide a
13 valuable service to the citizens of their communities.

14 **39-26.5-2. Definitions.** -- As used in this chapter, the following definitions apply:

15 (1) "Commercial property" means a property operated for commercial purposes, or a
16 residential property which contains five (5) or more housing units.

17 (2) "Distributed generation system" means an electrical generation facility located in the
18 electric distribution company's load zone with a nameplate capacity no greater than five
19 megawatts (5 MW), using eligible renewable energy resources as defined by § 39-26-5, including
20 biogas created as a result of anaerobic digestion, but, specifically excluding all other listed
21 eligible biomass fuels, and connected to an electrical power system owned, controlled, or
22 operated by the electric distribution company.

23 (3)~~(4)~~ "Dwelling" means a residential structure or mobile home which contains one to
24 four (4) family housing units, or individual units of condominiums or cooperatives,

25 (4)~~(2)~~ "Eligible net metering system" means a facility generating electricity as defined in
26 § 39-26.4-2.

27 (5)~~(3)~~ "Eligible renewable energy resources" means resources as defined in § 39-26-5.

28 (6)~~(4)~~ "Energy efficient projects" means those projects that are eligible under § 39-1-27.7
29 or projects that have been defined as eligible in the PACE rules and regulations.

30 (7) "Institution" means a private entity or quasi-state agency.

31 (8)~~(5)~~ "Loan loss reserve fund" or "LRF" means funds set aside to cover losses in the
32 event of loan defaults.

33 (9)~~(6)~~ "Municipality" ~~and~~ or towns and cities" means any Rhode Island town or city with
34 powers set forth in title 45 of the general laws.

1 ~~(7)~~(10) "Net metering" means using electricity as defined in section 39-26.4-2.

2 ~~(8)"Office of energy resources" or "office" means the Rhode Island office of energy~~
3 ~~resources within the department of administration.~~

4 ~~(9)~~(11) "PACE assessment" or "assessment" means the special assessment placed on a
5 PACE property ~~in accordance with § 39-26.5-4~~ owner's property tax bill in accordance with this
6 chapter, to be collected by the PACE municipality in which that PACE property is located and
7 remitted to the lender that has financed that PACE project. The PACE assessment shall be owed
8 by the current owner of the related PACE property as of the time each PACE assessment comes
9 due. In the event of a transfer of ownership, all PACE assessments coming due after the date of
10 the transfer, by foreclosure or otherwise, shall be owed by the transferee.

11 (12) "PACE lien" means the non-accelerating lien placed on a PACE property in
12 accordance with the rules and regulations promulgated by the Rhode Island infrastructure bank
13 pursuant to this chapter, in order to secure the repayment of a PACE assessment made in
14 connection with that PACE property and to secure the repayment of each PACE assessment to be
15 made by that PACE property owner as each assessment comes due.

16 ~~(10)~~(13) "PACE municipality" means a municipality voluntarily designated by its city or
17 town council as a property-assessed clean energy municipality.

18 ~~(11) "PACE property" means any property which is the subject of a written agreement~~
19 ~~entered into pursuant to section 39-26.5-4~~

20 ~~(12)~~(14) "PACE project" or "~~Project~~ project" means a distinct installation of an eligible
21 energy efficiency system, renewable energy net metering system, distributed generation system,
22 alternative fuel infrastructure upgrade, and/or other eligible environmental health and
23 environmental safety upgrades.

24 (15) "PACE property" or "property" means any residential property or commercial
25 property which is the subject of an approved application for a PACE project filed pursuant to this
26 chapter.

27 (16) "Past due balances" means the sum of the due and unpaid assessments on a PACE
28 Property as of the time the ownership of that PACE property is transferred. "Past due balances"
29 does not mean the unaccelerated balance of the PACE loan at the time that property is transferred.

30 ~~(13)~~(17) "Property-assessed clean energy" or "PACE" is a voluntary financing
31 mechanism which allows both residential and commercial property owners to access affordable,
32 long-term financing for energy ~~efficiency and renewable energy improvements to~~ upgrades, and
33 other eligible environmental health and environmental safety upgrades on their property.

34 (18) "Rhode Island infrastructure bank" means the Rhode Island infrastructure bank

1 ("RIIB"). For the purposes of this chapter, Rhode Island infrastructure bank shall include other
2 related state agencies and/or third party administrators, as may be engaged by the Rhode Island
3 infrastructure bank for the purposes of providing the services envisioned by the rules and
4 regulations promulgated in accordance with § 39-26.5-11.

5 **39-26.5-3. Property-Assessed Clean Energy Municipality. --** A town or city council by
6 resolution may designate the municipality as a ~~property assessed clean energy municipality, also~~
7 ~~referred to~~ as a "PACE municipality."

8 **39-26.5-4. ~~Written agreements, consent of dwelling owners, energy savings analysis~~**
9 **Financing agreements -- PACE assessments -- PACE liens. --** (a) The Rhode Island
10 infrastructure bank may enter into a financing agreement with a qualifying PACE property owner.
11 After such agreement is entered into, and upon notice from the Rhode Island infrastructure bank,
12 the PACE municipality shall: (i) place a caveat on the land records indicating that a PACE
13 assessment and lien is anticipated upon completion of the PACE project for such property; or (ii)
14 at the direction of the Rhode Island infrastructure bank, levy the PACE assessment and file a lien
15 on the land records on the estimated costs of the PACE Project prior to the completion or upon
16 the completion of said PACE project.

17 (b) PACE assessments levied pursuant to this chapter and the interest, fees and any
18 penalties thereon shall constitute a lien against the qualifying PACE property on which they are
19 made until they are paid. Such lien shall be collected in the same manner as the property taxes of
20 the PACE municipality on real property, including, in the event of default or delinquency, with
21 respect to any penalties, fees and remedies. Each such lien may be recorded and released in the
22 manner provided for property tax liens.

23 (c) Any PACE municipality may assign to the Rhode Island infrastructure bank any and
24 all liens filed by the PACE municipality, as provided in the written agreement between the
25 participating municipality and the Rhode Island infrastructure bank. The Rhode Island
26 infrastructure bank may sell or assign, for consideration, any and all liens received from the
27 participating municipality. The consideration received by the Rhode Island infrastructure bank
28 shall be negotiated between the Rhode Island Infrastructure bank and the assignee. The assignee
29 or assignees of such liens shall have and possess the same powers and rights at law or in equity as
30 the Rhode Island infrastructure bank and the participating municipality and its tax collector would
31 have had if the lien had not been assigned with regard to the precedence and priority of such lien,
32 the accrual of interest and the fees and expenses of collection. The assignee shall have the same
33 rights to enforce such liens as any private party holding a lien on real property, including, but not
34 limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys' fees incurred by the

1 assignee as a result of any foreclosure action or other legal proceeding brought pursuant to this
2 section and directly related to the proceeding shall be taxed in any such proceeding against each
3 person having title to any property subject to the proceedings. Such costs and fees may be
4 collected by the assignee at any time after demand for payment has been made by the assignee.

5 ~~After January 1, 2014, a PACE municipality may enter into a written agreement with any~~
6 ~~dwelling owner within the municipality who has:~~

7 ~~(1) An energy savings analysis approved by the office or an analysis performed under~~
8 ~~plans approved by the commission pursuant to § 39-1-27.7;~~

9 ~~(2) An energy efficiency and/or renewable energy project description approved by the~~
10 ~~office; and~~

11 ~~(3) A commitment from a financial institution to provide funds to complete the project.~~

12 ~~The agreement will require the dwelling owner to consent to be subject to the terms of~~
13 ~~the lien as set forth in § 39-26.5-6.~~

14 ~~**39-26.5-5. Rights of dwelling owners PACE Property Owners Rights of PACE**~~

15 ~~**Property Owners Rights of PACE property owners.** -- A dwelling PACE property owner who~~
16 ~~has entered into a written agreement with a municipality under section 39-26.5-4 may enter into a~~
17 contract for the installation or construction of a project relating to renewable energy as defined in
18 section 39-26-5, or relating to energy efficiency as defined in section 39-1-27.7 or as defined by
19 the office Rhode Island infrastructure bank pursuant to regulations authorized under this chapter
20 ~~under subsection 39-26.5-8(a).~~

21 ~~**39-26.5-6. Priority of PACE assessment lien Priority of PACE lien.** -- (a) A lien for a~~

22 PACE ~~assessment~~ lien on a residential property shall be: subordinate to all liens on the residential
23 property in existence at the time the ~~lien for the assessment in filed~~ residential PACE lien is filed;
24 subordinate to a first mortgage on the residential property recorded after such ~~filing~~ PACE lien is
25 filed; and superior to any other lien on the residential ~~property~~ recorded after such ~~filing~~ PACE
26 lien is filed. This subsection shall not affect the status or priority of any other municipal or
27 statutory lien.

28 (b) At the time of a transfer of property ownership of a residential property, including by
29 foreclosure, the past due balances of any special assessment under this chapter shall be due for
30 payment. In the event of a foreclosure action, the past due balances shall include all payments on
31 a PACE assessment that are due and unpaid as of the date of the foreclosure. Unless otherwise
32 agreed by the PACE lender, all payments on the PACE assessment that become due after the date
33 of transfer by foreclosure or otherwise shall continue to be secured by a PACE lien on the PACE
34 property and shall be the responsibility of the transferee.

1 (c) A PACE lien on a commercial property shall be: senior to all liens on the commercial
2 property in existence at the time the PACE lien is filed, subject to the consent of the senior
3 mortgage holder on the property; senior to all liens filed or recorded after the time the PACE lien
4 is created; but junior to a municipal tax lien.

5 (d) At the time of a transfer of property ownership of a commercial property, including
6 by foreclosure, the past due balances of any PACE assessment under this chapter shall be due for
7 payment. Unless otherwise agreed by the PACE lender, all payments ~~on the of~~ PACE ~~assessment~~
8 assessments that become due after the date of transfer by foreclosure or otherwise shall ~~remain be~~
9 secured by a PACE lien on the PACE property and shall be the responsibility of the transferee.

10 **39-26.5-7 ~~Loan loss reserve fund~~ Administration of PACE -- Loan loss reserve fund.**

11 ~~--~~ (a) The Rhode Island infrastructure bank is hereby authorized to create, set up on its books, and
12 administer one or more PACE funds for the purpose of providing financial assistance to
13 residential and commercial property owners for PACE projects. Additionally, the ~~office shall~~
14 Rhode Island infrastructure bank may enter into an agreement ~~contract~~ with ~~an~~ one or more
15 approved institutions, ~~approved financial institution~~ to create one or more ~~Loan Loss Reserve~~
16 ~~Funds~~ loan loss reserve funds (LRF) or other financing mechanisms to provide financial
17 incentives or additional security for PACE projects.

18 (b) In the event that there is a foreclosure of a PACE property and the proceeds resulting
19 from such a foreclosure are insufficient to pay the past due balances on the associated PACE
20 assessment, after all superior liens have been satisfied, ~~then~~ payment from the LRF shall be made
21 from the LRF in the amount of the past due balances on the PACE assessment. The LRF shall be
22 administered by the Rhode Island infrastructure bank or by the ~~financial~~-institution selected by
23 the ~~office~~ Rhode Island infrastructure bank; in the latter case ~~with~~ the ~~office~~ Rhode Island
24 infrastructure bank shall ~~providing~~ provide oversight of the LRF.

25 **39-26.5-8. Assistance to municipalities. --** The ~~office~~ Rhode Island infrastructure bank

26 shall:

27 ~~(1)(a)~~ Commencing on/or before July 1, 2014 and thereafter publish Publish on its
28 website a list of the types of PACE eligible energy efficiency, ~~and~~ renewable energy, and other
29 projects as defined in rules and regulations promulgated under 39-26.5-11;

30 ~~(2)(b)~~ Provide information concerning implementation of this chapter to each
31 municipality that requests such information;

32 ~~(3)(c)~~ Offer administrative and technical assistance to ~~and offer to manage the PACE~~
33 ~~program on behalf of~~ any PACE municipality that voluntarily participates in the PACE program;

34 and

1 ~~(4)(d)~~ Develop and offer informational resources to help residents make best use of the
2 PACE program.

3 **39-26.5-9. Monitoring, reporting, compliance, underwriting criteria.** -- The Rhode
4 Island infrastructure bank shall determine compliance with the underwriting criteria, standards,
5 and procedures ~~established within~~ set forth in the rules and regulations promulgated in
6 accordance with this chapter and shall include an accounting of the PACE program in the annual
7 report due ~~on April 15th of~~ each year ~~to the general assembly under subsection 39-2-1.2(k)~~ under
8 § 46-12.2-24.1. The report shall describe the implementation and operation of the PACE program
9 receipts, disbursements and earnings.

10 **39-26.5-11. Rules and regulations.** -- (a) The Rhode Island infrastructure bank shall
11 consult with the office of energy resources to promulgate rules and regulations, in accordance
12 with this section, and in accordance with chapter 42-35. ~~The office is authorized to promulgate~~
13 ~~necessary rules and regulations, in order to assure that PACE programs shall be successfully~~
14 ~~instituted in Rhode Island; such~~ Such rules and regulations should ensure that the PACE program
15 does not adversely affect the implementation of any other energy program in whose coordination
16 the ~~office~~ Rhode Island infrastructure bank or the office of energy resources is involved. Such
17 rules and regulations shall include, but not be limited to, the following:

18 (1) The necessary application requirements and procedures for any residential property
19 owner or commercial property owner seeking PACE financing;

20 (2) The necessary qualifications and requirements for a proposed PACE projects;

21 (3) The underwriting criteria to be applied in determining the eligibility of properties and
22 property owners for PACE projects; and

23 (4) Requirements that all existing lien holders on a property be given notice prior to a
24 PACE assessment and lien being filed in connection with that property and that all commercial
25 property owners seeking a commercial PACE loan receive consent of the primary mortgage
26 holder on that property prior to being eligible.

27 (b) The Rhode Island infrastructure bank shall be responsible for promulgating
28 agreements, forms and other documents necessary for the efficient administration of the PACE
29 program.

30 SECTION 10. Section 39-26.5-4 of Chapter 39-26.5 in the General Laws entitled
31 "Property Assessed Clean Energy – Residential Program" is hereby repealed.

32 ~~**39-26.5-4. Written agreements, consent of dwelling owners, energy savings analysis.**~~
33 ~~-- After January 1, 2014, a PACE municipality may enter into a written agreement with any~~
34 ~~dwelling owner within the municipality who has:~~

1 ~~(1) An energy savings analysis approved by the office or an analysis performed under~~
2 ~~plans approved by the commission pursuant to section 39-1-27.7;~~

3 ~~(2) An energy efficiency and/or renewable energy project description approved by the~~
4 ~~office; and~~

5 ~~(3) A commitment from a financial institution to provide funds to complete the project.~~

6 ~~The agreement will require the dwelling owner to consent to be subject to the terms of the~~
7 ~~lien as set forth in Section 39-26.5-6.~~

8 SECTION 11. Section 42-64-13.2 of chapter 42-64 of the General Laws entitled "Rhode
9 Island Commerce Corporation" is hereby amended to read as follows:

10 **42-64-13.2 Renewable energy investment coordination** -- (a) Intent. - To develop an
11 integrated organizational structure to secure for Rhode Island and its people the full benefits of
12 cost-effective renewable energy development from diverse sources.

13 (b) Definitions. - For purposes of this section, the following words and terms shall have
14 the meanings set forth in RIGL 42-64-3 unless this section provides a different meaning. Within
15 this section, the following words and terms shall have the following meanings:

16 (1) "Corporation" means the Rhode Island ~~economic development~~ commerce corporation.

17 (2) "Municipality" means any city or town, or other political subdivision of the state.

18 (3) "Office" means the office of energy resources established by chapter 42-140.

19 (c) Renewable energy development fund. - The corporation shall, in the furtherance of its
20 responsibilities to promote and encourage economic development, establish and administer a
21 renewable energy development fund as provided for in section 39-26-7, may exercise the powers
22 set forth in this chapter, as necessary or convenient to accomplish this purpose, and shall provide
23 such administrative support as may be needed for the coordinated administration of the renewable
24 energy standard as provided for in chapter 39-26 and the renewable energy program established
25 by section 39-2-1.2. The corporation may upon the request of any person undertaking a renewable
26 energy facility project, grant project status to the project, and a renewable energy facility project,
27 which is given project status by the corporation, shall be deemed an energy project of the
28 corporation.

29 (d) *Duties*. - The corporation shall, with regards to renewable energy project investment:

30 (1) Establish by rule, in consultation with the office, standards for financing renewable
31 energy projects from diverse sources.

32 (2) Enter into agreements, consistent with this chapter and renewable energy investment
33 plans adopted by the office, to provide support to renewable energy projects that meet applicable
34 standards established by the corporation. Said agreements may include contracts with

1 municipalities and public corporations.

2 (e) *Conduct of activities.*

3 (1) To the extent reasonable and practical, the conduct of activities under the provisions
4 of this chapter shall be open and inclusive; the director shall seek, in addressing the purposes of
5 this chapter, to involve the research and analytic capacities of institutions of higher education
6 within the state, industry, advocacy groups, and regional entities, and shall seek input from
7 stakeholders including, but not limited to, residential and commercial energy users.

8 ~~(2) By January 1, 2009, the director shall adopt:~~

9 ~~(A) Goals for renewable energy facility investment which is beneficial, prudent, and from~~
10 ~~diverse sources;~~

11 ~~(B) A plan for a period of five (5) years, annually upgraded as appropriate, to meet the~~
12 ~~aforementioned goals; and~~

13 ~~(C) Standards and procedures for evaluating proposals for renewable energy projects in~~
14 ~~order to determine the consistency of proposed projects with the plan.~~

15 (f) Reporting. - On March 1, of each year after the effective date of this chapter, the
16 corporation shall submit to the governor, the president of the senate, the speaker of the house of
17 representatives, and the secretary of state, a financial and performance report. These reports shall
18 be posted electronically on the general assembly and the secretary of state's websites as
19 prescribed in § 42-20-8.2. The reports shall set forth:

20 (1) The corporation's receipts and expenditures in each of the renewable energy program
21 funds administered in accordance with this section.

22 (2) A listing of all private consultants engaged by the corporation on a contract basis and
23 a statement of the total amount paid to each private consultant from the two (2) renewable energy
24 funds administered in accordance with this chapter; a listing of any staff supported by these
25 funds, and a summary of any clerical, administrative or technical support received; and

26 (3) A summary of performance during the prior year including accomplishments and
27 shortcomings; project investments, the cost-effectiveness of renewable energy investments by the
28 corporation; and recommendations for improvement.

29 SECTION 12. Section 42-155-3 of the General Laws in Chapter 42-155 entitled "Quasi-
30 Public Corporations Accountability and Transparency Act" is hereby amended to read as follows:

31 **42-155-3. Definitions. [Effective January 1, 2015].** -- (a) As used in this chapter,
32 "quasi-public corporation" means any body corporate and politic created, or to be created,
33 pursuant to the general laws, including, but not limited to, the following:

34 (1) Capital center commission;

- 1 (2) Rhode Island convention center authority;
- 2 (3) Rhode Island industrial facilities corporation;
- 3 (4) Rhode Island industrial-recreational building authority;
- 4 (5) Rhode Island small business loan fund corporation;
- 5 (6) Quonset development corporation;
- 6 (7) Rhode Island airport corporation;
- 7 (8) I-195 redevelopment district commission;
- 8 (9) Rhode Island health and educational building corporation;
- 9 (10) Rhode Island housing and mortgage finance corporation;
- 10 (11) Rhode Island higher education assistance authority;
- 11 (12) Rhode Island student loan authority;
- 12 (13) Narragansett bay commission;
- 13 (14) ~~Rhode Island Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#);
- 14 (15) Rhode Island water resources board;
- 15 (16) Rhode Island resource recovery corporation;
- 16 (17) Rhode Island public rail corporation;
- 17 (18) Rhode Island public transit authority;
- 18 (19) Rhode Island turnpike and bridge authority;
- 19 (20) Rhode Island tobacco settlement financing corporation; and
- 20 (21) Any subsidiary of the Rhode Island commerce corporation.

21 (b) Cities, towns, and any corporation created that is an instrumentality and agency of a
22 city or town, and any corporation created by a state law that has been authorized to transact
23 business and exercise its powers by a city or town pursuant to ordinance or resolution, and fire
24 and water districts are not subject to the provisions of this chapter.

25 (c) The Rhode Island commerce corporation, being subject to similar transparency and
26 accountability requirements set forth in chapter 64 of title 42; the Rhode Island public rail
27 corporation established in chapter 64.2 of title 42; Block Island power authority; and the Pascoag
28 utility district shall not be subject to the provisions of this chapter.

29 SECTION 13. Section 45-12-33 of the General Laws in Chapter 45-12 entitled
30 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

31 **45-12-33. Borrowing for road and bridge projects financed through the "municipal**
32 **road and bridge revolving fund".** -- (a) In addition to other authority previously granted, during
33 calendar year 2014 a city or town may authorize the issuance of bonds, notes, or other evidences
34 of indebtedness to evidence loans from the municipal road and bridge revolving fund

1 administered by the ~~Rhode Island Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#)
2 in accordance with chapter 18 of title 24 of the general laws.

3 (b) These bonds, notes, or other evidences of indebtedness are subject to the maximum
4 aggregate indebtedness permitted to be issued by any city or town under § 45-12-2.

5 (c) The denominations, maturities, interest rates, methods of sale, and other terms,
6 conditions, and details of any bonds or notes issued under the provisions of this section may be
7 fixed by resolution of the city or town council authorizing them, or if no provision is made in the
8 resolution, by the treasurer or other officer authorized to issue the bonds, notes or evidences of
9 indebtedness; provided, that the payment of principal shall be by sufficient annual payments that
10 will extinguish the debt at maturity, the first of these annual payments to be made not later than
11 three (3) years, and the last payment not later than twenty (20) years after the date of the bonds.

12 The bonds, notes, or other evidences of indebtedness may be issued under this section by
13 any political subdivision without obtaining the approval of its electors, notwithstanding the
14 provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the
15 contrary.

16 SECTION 14. Sections 46-6.1-3 and 46-6.1-9 of the General Laws in Chapter 46-6.1
17 entitled "Maintenance of Marine Waterways and Boating Facilities" are hereby amended to read
18 as follows:

19 **46-6.1-3. Purpose.** -- The purposes of this chapter are:

20 (1) To establish an integrated, coherent plan for dredging and dredge material
21 management, which includes beneficial use, dewatering, in-water disposal, and upland disposal as
22 appropriate, that sets forth the state's program for these activities and provides guidance to
23 persons planning to engage in these activities and to designate the council as the lead agency for
24 implementing the purposes of this chapter.

25 (2) To provide for coordinated, timely decision-making by state agencies on applications
26 for dredging, dewatering, and for the beneficial use and in-water and upland disposal of dredged
27 materials, with the goals of providing action, following a determination that the application is
28 complete, on applications for these activities within one hundred eighty (180) days for
29 applications pertaining to maintenance dredging projects and within five hundred forty (540) days
30 for expansion projects.

31 (3) To establish, for the purposes of this chapter and consistent with the requirements of
32 the Marine Infrastructure Maintenance Act of 1996, the following in order of priority in planning
33 for and management of dredged material, depending on the nature and characteristics of the
34 dredged material and on reasonable cost.

1 (i) Beneficial use, including specifically beach nourishment and habitat restoration and
2 creation, in the coastal zone;

3 (ii) Beneficial use in upland areas;

4 (iii) Disposal.

5 (4) To encourage the development of the infrastructure needed to dewater dredged
6 materials, and to facilitate beneficial use of dredged materials in upland areas.

7 (5) To encourage and facilitate the beneficial use of dredged materials by private parties.

8 (6) To authorize the establishment of a means of supporting projects for dewatering
9 dredged material and for beneficial use and disposal of dredged material at sites above mean high
10 water by the ~~Rhode Island Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#).

11 **46-6.1-9. Cooperation of other agencies.** -- (a) In order to accomplish the purposes of
12 this chapter to provide for beneficial use, dewatering, and disposal of dredged material:

13 (1) State agencies, departments, corporations, authorities, boards, commissions,
14 including, but not limited to, the department of administration, the department of transportation,
15 the ~~Rhode Island Clean Water Finance Agency~~ [Rhode Island infrastructure bank](#), the ~~economic~~
16 ~~development~~ [Rhode Island commerce](#) corporation, the Narragansett Bay commission, and the
17 Rhode Island resource recovery corporation, and political subdivisions, shall cooperate with the
18 council in developing and implementing the comprehensive plan for dredged material
19 management;

20 (2) The council shall seek federal acceptance of the comprehensive plan for dredged
21 material management as an element of the state's coastal zone management program and shall
22 pursue such federal approvals and general permits as may facilitate expeditious action on
23 dredging applications that are consistent with the plan;

24 (3) The economic development corporation shall:

25 (i) Make available by October 31, 2004, a site to use as a dewatering site for dredged
26 material, which site shall be available for dewatering dredged material until at least September
27 30, 2012, and may continue to be available thereafter for periods of not less than six (6) months,
28 upon the request of the council and the approval of the corporation; and

29 (ii) With advice from the council and the department, develop and implement a program
30 to market dredged material for beneficial use by private persons, including but limited to
31 brownfield reclamation projects; and

32 (4) The council, with the cooperation of the department and the ~~Clean Water Finance~~
33 ~~Agency~~ [Rhode Island infrastructure bank](#), shall develop a proposal for a fund, which may be used
34 as provided for in § 46-12.2-4.1, to support projects for dewatering dredged material for

1 beneficial use and disposal of dredged material at sites above mean high water and for confined
2 aquatic disposal of dredged materials, which proposal shall be submitted to the general assembly
3 not later than February 15, 2002.

4 (b) The fund shall not be established or go into effect unless it has been approved by the
5 general assembly.

6 SECTION 15. Section 46-12.10-1 of the General Laws in Chapter 46-12.10 entitled
7 "Commission to Study Feasibility and Funding of Homeowners Assistance Fund for Septic
8 Systems" is hereby amended to read as follows:

9 **46-12.10-1. Legislative findings.** -- The General Assembly hereby recognizes and
10 declares that:

11 (a) There exists and will continue to exist within the state of Rhode Island the need to
12 construct, maintain and repair facilities and projects for the abatement of pollution caused by
13 domestic wastewater discharges, including, but not limited to, septic systems and cesspools.

14 (b) It is found that there are presently ninety thousand (90,000) cesspools within the State
15 of Rhode Island.

16 (c) Failed and poorly functioning ISDS systems contribute directly to pollution in such
17 environmentally sensitive areas as Greenwich Bay, coastal salt ponds and other water resources.

18 (d) It is further found that there is a need to establish a fund that shall provide to
19 communities financial assistance to create and adopt a community septic system management
20 plan and provide the corpus of a fund within the existing State SRF as administered by the ~~Clean~~
21 ~~Water Finance Agency~~ Rhode Island infrastructure bank that shall enable communities to offer to
22 homeowners within those communities the opportunity to access low-cost loans for repair or
23 replacement of failed or poorly functioning septic systems.

24 SECTION 16. The title of Chapter 46-12.2 of the General Laws entitled "Rhode Island
25 Clean Water Finance Agency" is hereby amended to read as follows:

26 ~~CHAPTER 46-12.2~~

27 ~~Rhode Island Clean Water Finance Agency~~

28 CHAPTER 46-12.2

29 RHODE ISLAND INFRASTRUCTURE BANK

30 SECTION 17. Sections 46-12.2-1, 46-12.2-2, 46-12.2-3, 46-12.2-4, 46-12.2-6, 46-12.2-8,
31 46-12.2-9, 46-12.2-10, 46-12.2-11, 46-12.2-13, 46-12.2-14, 46-12.2-17 and 46-12.2-25 of the
32 General Laws in Chapter 46-12.2 entitled "Rhode Island Clean Water Finance Agency" are
33 hereby amended to read as follows:

34 **46-12.2-1. Legislative findings.** -- (a) It is hereby found that there exists and will in the

1 future exist within the state of Rhode Island the need to construct facilities and to facilitate
2 projects for the abatement of pollution caused by wastewater ~~and~~ for the enhancement of the
3 waters of the state, and for the completion of renewable energy and energy efficiency projects in
4 order to save property owners money and to encourage job and business growth in Rhode Island.

5 ~~And that the traditional source for funding construction of such facilities and projects under the~~
6 ~~grant program of title II of the Clean Water Act, 33 U.S.C. §§1281-1299, will terminate at the end~~
7 ~~of fiscal year 1990.~~

8 (b) It is hereby further found that to meet water quality goals under federal and state law,
9 and to secure maximum benefit of funding programs available under federal and state law
10 pertaining to wastewater pollution abatement projects, it is necessary to establish a revolving loan
11 fund program in accordance with federal and state law to provide a perpetual source of low cost
12 financing for water pollution abatement projects.

13 (c) It is hereby further found that to secure maximum benefit to the state from funding
14 programs available under federal and state law and, to the extent permissible to attract private
15 capital, for water pollution abatement projects, for safe drinking water projects, for municipal
16 road and bridge projects, and other infrastructure related projects, it is necessary to establish a
17 finance agency to administer the revolving loan funds and other financing mechanisms, and for
18 the finance agency to work with the department of environmental management, Rhode Island
19 department of transportation, the Rhode Island office of energy resources and other federal and
20 state agencies for proper administration of ~~the~~ revolving loan funds and other financing
21 mechanisms.

22 (d) It is hereby further found that cities and towns can lower the costs of borrowing for
23 road and bridge projects through cooperation with the Rhode Island infrastructure bank and that
24 greater coordination among cities and towns will enable more efficient allocation of infrastructure
25 resources by the state of Rhode Island.

26 (e) It is hereby further found that the geographic size of and population of Rhode Island,
27 while often derided as an impediment to economic growth, are potential assets, not handicaps, to
28 better infrastructure development.

29 (f) It is hereby further found that initiatives for infrastructure finance can best be
30 accomplished through a new, streamlined entity that seeks to foster and develop a public-private
31 sector partnership that takes advantage of all of Rhode Island's strengths.

32 (g) It is hereby further found that expanding the Rhode Island clean water finance agency
33 and renaming it the Rhode Island infrastructure bank provides the best avenue for reducing
34 ongoing pollution to the waters of the state and emissions that degrade air quality and contribute

1 [to climate change while fostering the creation of jobs and the realization of energy cost savings](#)
2 [through the facilitation of infrastructure improvements.](#)

3 **46-12.2-2. Definitions.** -- As used in this chapter, unless the context clearly indicates
4 otherwise, the following words and phrases shall have the following meanings:

5 (1) "Agency" means the ~~Rhode Island clean water finance agency~~ [Rhode Island](#)
6 [infrastructure bank.](#)

7 (2) "Approved project" means any project or portion thereof that has been issued a
8 certificate of approval by the department for financial assistance from the agency, and also
9 includes any project approved for financial assistance from the agency in accordance with state
10 law, and, furthermore, shall include water pollution abatement projects funded outside of the
11 water pollution control revolving fund, the Rhode Island water pollution control revolving fund,
12 or the local interest subsidy trust fund, without the requirement of the issuance of a certificate of
13 approval;

14 (3) "Board" means board of directors of the agency;

15 (4) "Bond act" means any general or special law authorizing a local governmental unit to
16 incur indebtedness for all or any part of the cost of projects coming within the scope of a water
17 pollution abatement project, or for other projects related to this chapter, including but not limited
18 to § 45-12-2;

19 (5) "Bonds" means bonds, notes, or other evidence of indebtedness of the agency;

20 (6) "Certificate of approval" means the certificate of approval contemplated by § 46-
21 12.2-8;

22 (7) "Chief executive officer" means the mayor in any city, the president of the town
23 council in any town, and the executive director of any authority or commission, unless some other
24 officer or body is designated to perform the functions of a chief executive officer under any bond
25 act or under the provisions of a local charter or other law;

26 (8) "Clean Water Act" or "act" means the Federal Water Pollution Control Act, act of
27 June 30, 1948, ch. 758, as added Oct. 18, 1972, Pub. L. No. 92-500, 86 Stat. 896, as added Dec.
28 27, 1977, Pub. L. No. 95-217, 91 Stat. 1566 (codified at 33 U.S.C. § 1251 et seq., as amended and
29 as hereafter amended from time to time);

30 (9) "Corporation" means any corporate person, including, but not limited to, bodies
31 politic and corporate, public departments, public offices, public agencies, public authorities,
32 political subdivisions of the state, corporations, societies, associations, limited liability
33 companies, partnerships and sole proprietorships;

34 ~~(9)~~(10)"Cost" as applied to any approved project, means any or all costs, whenever

1 incurred, approved by the agency in accordance with section eight of this chapter, of planning,
2 designing, acquiring, constructing, and carrying out and placing the project in operation,
3 including, without limiting the generality of the foregoing, amounts for the following: planning,
4 design, acquisition, construction, expansion, improvement and rehabilitation of facilities;
5 acquisition of real or personal property; demolitions and relocations; labor, materials, machinery
6 and equipment; services of architects, engineers, and environmental and financial experts and
7 other consultants; feasibility studies, plans, specifications, and surveys; interest prior to and
8 during the carrying out of any project and for a reasonable period thereafter; reserves for debt
9 service or other capital or current expenses; costs of issuance of local governmental obligations or
10 non-governmental obligations issued to finance the obligations including, without limitation, fees,
11 charges, and expenses and costs of the agency relating to the loan evidenced thereby, fees of
12 trustees and other depositories, legal and auditing fees, premiums and fees for insurance, letters or
13 lines of credit or other credit facilities securing local governmental obligations or non-
14 governmental obligations and other costs, fees, and charges in connection with the foregoing; and
15 working capital, administrative expenses, legal expenses, and other expenses necessary or
16 incidental to the aforesaid, to the financing of a project and to the issuance therefor of local
17 government obligations under the provisions of this chapter;

18 ~~(10)~~(11) "Department" means the department of environmental management;

19 (12) "Projected energy efficiency savings" means, at the time a loan agreement is entered
20 into between the agency and a local governmental unit, the savings projected to be derived from
21 the implementation of energy efficient and renewable energy upgrades to public buildings, as
22 determined in accordance with the rules and regulations promulgated by the Rhode Island
23 infrastructure bank pursuant to this chapter;

24 ~~(11)~~(13) "Financial assistance" means any form of financial assistance ~~other than grants~~
25 provided by the agency to a local governmental unit, person or corporation in accordance with
26 this chapter for all or any part of the cost of an approved project, including, without limitation,
27 grants, temporary and permanent loans, with or without interest, guarantees, insurance, subsidies
28 for the payment of debt service on loans, lines of credit, and similar forms of financial assistance;
29 provided, however, notwithstanding the foregoing, for purposes of capitalization grant awards
30 made available to the agency, pursuant to the American Recovery and Reinvestment Act of 2009
31 (P.L. 111-5), or as otherwise required in connection with other capitalization grant awards made
32 available to the agency, financial assistance shall also include principal forgiveness and negative
33 interest loans;

34 ~~(12)~~(14) "Fully marketable form" means a local governmental obligation in form

1 satisfactory to the agency duly executed and accompanied by an opinion of counsel of recognized
2 standing in the field of municipal law whose opinions have been and are accepted by purchasers
3 of like obligations to the effect that the obligation is a valid and binding obligation of the local
4 governmental unit issuing the obligation, enforceable in accordance with its terms;

5 ~~(13)~~(15) "General revenues" , when used with reference to a local governmental unit,
6 means revenues, receipts, assessments, and other moneys of the local governmental unit received
7 from or on account of the exercise of its powers and all rights to receive the same, including
8 without limitation:

9 (i) Taxes,
10 (ii) Wastewater system revenues,
11 (iii) Assessments upon or payments received from any other local governmental unit
12 which is a member or service recipient of the local governmental unit, whether by law, contract,
13 or otherwise,

14 (iv) Proceeds of local governmental obligations and loans and grants received by the
15 local governmental unit in accordance with this chapter,

16 (v) Investment earnings,
17 (vi) Reserves for debt service or other capital or current expenses,
18 (vii) Receipts from any tax, excise, or fee heretofore or hereafter imposed by any general
19 or special law all or a part of the receipts of which are payable or distributable to or for the
20 account of the local governmental unit,

21 (viii) Local aid distributions, and
22 (ix) Receipts, distributions, reimbursements, and other assistance received by or for the
23 account of the local governmental unit from the United States or any agency, department, or
24 instrumentality thereof;

25 ~~(14)~~(16) "Loan" means a loan by the agency to a local governmental unit, or person, or
26 corporation for costs of an approved project, including, without limitation, temporary and
27 permanent loans, and lines of credit;

28 ~~(15)~~(17) "Loan agreement" means any agreement entered into by the agency with a local
29 governmental unit, person, or corporation pertaining to a loan, other financial assistance, ~~or~~ local
30 governmental obligations, or non-governmental obligations, including, without limitation, a loan
31 agreement, trust agreement, security agreement, reimbursement agreement, guarantee agreement,
32 financing lease agreement, appropriate agreement, or similar instrument;

33 ~~(16)~~(18) "Local aid distributions" means receipts, distributions, reimbursements, and
34 other assistance payable by the state to or for the account of a local governmental unit, except

1 such receipts, distributions, reimbursements, and other assistance restricted by law to specific
2 statutorily defined purposes;

3 ~~(17)~~(19) "Local governmental obligations" means bonds, notes, [financing lease](#)
4 [obligations, appropriation obligations](#), and other evidences of indebtedness in fully marketable
5 form issued by a local governmental unit to evidence a loan [or other financial assistance](#), from the
6 agency in accordance with this chapter or otherwise as provided herein;

7 ~~(18)~~(20) "Local governmental unit" means any town, city, district, commission, agency,
8 authority, board, or other political subdivision or instrumentality of the state or of any political
9 subdivision thereof ~~responsible for the ownership or operation of a water pollution abatement~~
10 ~~project~~, including the Narragansett Bay ~~water quality management district~~ commission; and, for
11 purposes of dam safety or dam maintenance projects, any person seeking financial assistance as a
12 joint applicant with any of the above entities;

13 ~~(19)~~(21) "Local interest subsidy trust fund" means the local interest subsidy trust fund
14 established under § 46-12.2-6;

15 [\(22\) "Non-governmental obligations" means bonds, notes, or other evidences of](#)
16 [indebtedness in fully marketable form issued by a person or corporation to evidence a loan, or](#)
17 [other financial assistance, from the agency in accordance with this chapter or otherwise as](#)
18 [provided herein.](#)

19 ~~(20)~~(23) "Person" means any natural ~~or corporate~~ person, ~~including bodies politic and~~
20 ~~corporate, public departments, offices, agencies, authorities, and political subdivisions of the~~
21 ~~state, corporations, societies, associations, and partnerships, and subordinate instrumentalities of~~
22 ~~any one or more political subdivisions of the state;~~

23 ~~(21)~~(24) "Priority determination system" means the system by which water pollution
24 abatement projects are rated on the basis of environmental benefit and other criteria for funding
25 assistance pursuant to rules and regulations promulgated by the department as they may be
26 amended from time to time;

27 [\(25\) "Qualified energy conservation bond" or "QECCB" means those bonds designated by](#)
28 [26 USC 54D.](#)

29 ~~(22)~~(26) "Revenues" , when used with reference to the agency, means any receipts, fees,
30 payments, moneys, revenues, or other payments received or to be received by the agency in the
31 exercise of its corporate powers under this chapter, including, without limitation, loan
32 repayments, payments on local governmental obligations, [non-governmental obligations](#), grants,
33 aid, appropriations, and other assistance from the state, the United States, or any agency,
34 department, or instrumentality of either or of a political subdivision thereof, bond proceeds,

1 investment earnings, insurance proceeds, amounts in reserves, and other funds and accounts
2 established by or pursuant to this chapter or in connection with the issuance of bonds, including,
3 without limitation, the water pollution control revolving fund, the Rhode Island water pollution
4 control revolving fund, and the local interest subsidy fund, and any other fees, charges or other
5 income received or receivable by the agency;

6 ~~(23)~~(27) "Rhode Island water pollution control revolving fund" means the Rhode Island
7 water pollution control revolving fund established pursuant to § 46-12.2-6;

8 ~~(24)~~(28) "Trust agreement" means a trust agreement, loan agreement, security agreement,
9 reimbursement agreement, currency or interest rate exchange agreement, or other security
10 instrument, and a resolution, loan order, or other vote authorizing, securing, or otherwise
11 providing for the issue of bonds, loans, or local governmental obligations or non-governmental
12 obligations;

13 ~~(25)~~(29) "Wastewater system revenues" means all rates, rents, fee assessments, charges,
14 and other receipts derived or to be derived by a local governmental unit from wastewater
15 collection and treatment facilities and water pollution abatement projects under its ownership or
16 control, or from the services provided thereby, including, without limitation, proceeds of grants,
17 gifts, appropriations, and loans, including the proceeds of loans or grants awarded by the agency
18 or the department in accordance with this chapter, investment earnings, reserves for capital and
19 current expenses, proceeds of insurance or condemnation, and the sale or other disposition of
20 property; wastewater system revenues may also include rates, rents, fees, charges, and other
21 receipts derived by the local governmental unit from any water supply of distribution facilities or
22 other revenue producing facilities under its ownership or control; wastewater system revenues
23 shall not include any ad valorem taxes levied directly by the local governmental unit on any real
24 and personal property;

25 ~~(26)~~(30) "Water pollution abatement project" or "project" means any project eligible
26 pursuant to Title VI of the Clean Water Act including, but not limited to, wastewater treatment or
27 conveyance project that contributes to removal, curtailment, or mitigation of pollution of the
28 surface water of the state, and conforms with any applicable comprehensive land use plan which
29 has been adopted or any dam safety, removal or maintenance project; it also means a project to
30 enhance the waters of the state, which the agency has been authorized by statute to participate in;
31 it also means any other project to which the agency has been authorized to provide financial
32 assistance;

33 ~~(27)~~(31) "Water pollution control revolving fund" means the water pollution control
34 revolving fund contemplated by title VI of the Water Quality Act and established under § 46-

1 12.2-6;

2 ~~(28)~~(32) "Water Quality Act" means the Water Quality Act of 1987, Pub. L. No. 100-4,
3 101 Stat. 7, 33 U.S.C. § 1251 et seq., as amended from time to time.

4 ~~46-12.2-3. Establishment Of agency --, Composition of agency -- Appointment of~~
5 ~~directors of the Rhode Island infrastructure bank~~ **Establishment, Composition**
6 **Appointment of directors of the Rhode Island infrastructure bank.** -- (a) There is hereby
7 created a body politic and corporate and public instrumentality of the state having distinct legal
8 existence from the state and not constituting a department of the state government, to be known
9 as the Rhode Island clean water finance agency, and, effective September 1, 2015 and thereafter,
10 to be known as the Rhode Island infrastructure bank. Effective September 1, 2015, whenever, in
11 any general law, public law, rule, regulation, bylaw and/or otherwise, any reference is made to the
12 Rhode Island clean water finance agency, by name or otherwise, the reference shall be deemed to
13 refer to and mean the "Rhode Island infrastructure bank." The agency shall take all necessary
14 actions to effectuate this name change, including, but not limited to, changing the name of the
15 agency on file with any government office. The exercise by the agency of the powers conferred
16 by this chapter shall be deemed to be the performance of an essential public function.

17 (b) Nothing in this act shall be construed to change or modify the corporate existence of
18 the former Rhode Island clean water finance agency, or to change or modify any contracts or
19 agreements of any kind by, for, or to which the Rhode Island clean water finance agency is a
20 party thereto.

21 ~~(b)~~(c) The powers of the agency shall be exercised by or under the supervision of a board
22 of directors consisting of five (5) members, four (4) of whom shall be members of the public
23 appointed by the governor, with the advice and consent of the senate. The governor in making
24 these appointments shall give due consideration to persons skilled and experienced in law,
25 finance, and public administration and give further due consideration to a recommendation by the
26 general treasurer for one of those appointments. ~~The newly appointed member will serve for a~~
27 ~~limited term to expire in March of 2006.~~ All appointments made by the governor shall serve for a
28 term of two (2) years. No one shall be eligible for appointment unless he or she is a resident of
29 this state. The members of the board of directors as of the effective date of this act [July 15, 2005]
30 who were appointed to the board of directors by members of the general assembly shall cease to
31 be members of the board of directors on the effective date of this act. As of the effective date of
32 this act, the general treasurer or his or her designee, who shall be a subordinate within the general
33 treasurer's department, shall serve on the board of directors as an ex-officio member. Those
34 members of the board of directors as of the effective date of this act who were appointed to the

1 board of directors by the governor shall continue to serve the balance of their current terms.

2 ~~(e)~~(d) Each member of the board of directors shall serve until his or her successor is
3 appointed and qualified. The appointed member of the board of directors shall be eligible for
4 reappointment. Any member of the board of directors appointed to fill a vacancy of a public
5 member on the board shall be appointed by the governor, with the advice and consent of the
6 senate, for the unexpired term of the vacant position in the same manner as the member's
7 predecessor as set forth in subsection 46-12.2-3(b). The public members of the board of directors
8 shall be removable by the governor, pursuant to § 36-1-7 and for cause only, and removal solely
9 for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.
10 The governor shall designate one member of the board of directors to be the chairperson of the
11 agency to serve in such capacity during his or her term as a member. The board of directors may
12 elect from among its members such other officers as they deem necessary. Three (3) members of
13 the board of directors shall constitute a quorum. A majority vote of those present shall be required
14 for action. No vacancy in the membership of the board of directors shall impair the right of a
15 quorum to exercise the powers of the board of directors. The members of the board of directors
16 shall serve without compensation, but each member shall be reimbursed for all reasonable
17 expenses incurred in the performance of his or her duties.

18 ~~(d)~~(e) Notwithstanding any other provision of general or special law to the contrary, any
19 member of the board of directors, who is also an officer or employee of the state or of a local
20 governmental unit or other public body, shall not thereby be precluded from voting for or acting
21 on behalf of the agency, the state, or local governmental unit or other public body on any matter
22 involving the agency, the state, or that local governmental unit or other public body, and any
23 director, officer, employee, or agent of the agency shall not be precluded from acting for the
24 agency on any particular matter solely because of any interest therein which is shared generally
25 with a substantial segment of the public.

26 (f) In addition to the board of directors, there is hereby created a green infrastructure
27 strategic advisory council (the "advisory council"). The advisory council shall exist to advise the
28 board of directors on advances related to green infrastructure, energy efficiency, and renewable
29 energy and to make recommendations on potential opportunities for new programs and/or updates
30 to existing programs. The advisory council shall consist of: the executive director of the Rhode
31 Island Infrastructure Bank, or designee, the chairperson of the Rhode Island Infrastructure Bank
32 board of directors, or designee, the secretary of commerce, or designee, the director of the
33 department of environmental management, or designee, the commissioner of the office of energy
34 resources, or designee, the director of the department of health, or designee, the director of the

1 [department of transportation, or designee and the executive director of Rhode Island housing, or](#)
2 [designee. The chairperson of the Rhode Island Infrastructure Bank, or designee, shall serve as](#)
3 [chairperson of the advisory council.](#)

4 **46-12.2-4 General powers and duties of agency.** -- (a) The agency shall have all powers
5 necessary or convenient to carry out and effectuate the purposes and provisions of this ~~chapter~~
6 ~~and chapter~~ [chapter, chapter](#) 24-18 [and chapter 39-26.5](#), including, without limiting the generality
7 of the foregoing, the powers and duties:

8 (1) To adopt and amend bylaws, rules, regulations, and procedures for the governance of
9 its affairs, the administration of its financial assistance programs, and the conduct of its business;

10 (2) To adopt an official seal;

11 (3) To maintain an office at such place or places as it may determine;

12 (4) To adopt a fiscal year;

13 (5) To adopt and enforce procedures and regulations in connection with the performance
14 of its functions and duties;

15 (6) To sue and be sued;

16 (7) To employ personnel as provided in § 46-12.2-5, and to engage accounting,
17 management, legal, financial, consulting and other professional services;

18 (8) Except as provided in this chapter, to receive and apply its revenues to the purposes
19 of this chapter without appropriation or allotment by the state or any political subdivision thereof;

20 (9) To borrow money, issue bonds, and apply the proceeds thereof, as provided in this
21 chapter, [chapter 19.16 of title 23](#), ~~and chapter 24-18~~ [chapter 18 of title 24 and chapter 26.5 of title](#)
22 [39](#), and to pledge or assign or create security interests in revenues, funds, and other property of
23 the agency and otherwise as provided in this, [chapter 19.16 of title 23](#), ~~and chapter 24-18~~ [chapter](#)
24 [18 of title 24 and chapter 26.5 of title 39](#), to pay or secure the bonds; and to invest any funds held
25 in reserves or in the water pollution control revolving fund, the Rhode Island water pollution
26 control revolving fund, the municipal road and bridge fund established under chapter 24-18, any
27 [other funds established in accordance with this chapter](#), or the local interest subsidy trust fund, or
28 any revenues or funds not required for immediate disbursement, in such investments as may be
29 legal investments for funds of the state;

30 (10) To obtain insurance and to enter into agreements of indemnification necessary or
31 convenient to the exercise of its powers under this, [chapter 19.16 of title 23](#), ~~and chapter 24-18~~
32 [chapter 18 of title 24 and chapter 26.5 of title 39](#);

33 (11) To apply for, receive, administer, and comply with the conditions and requirements
34 respecting any grant, gift, or appropriation of property, services, or moneys;

1 (12) To enter into contracts, arrangements, and agreements with other persons, and
2 execute and deliver all instruments necessary or convenient to the exercise of its powers under
3 this, [chapter 19.16 of title 23](#), ~~and chapter 24-18~~ [chapter 18 of title 24 and chapter 26.5 of title 39](#);
4 such contracts and agreements may include without limitation, loan agreements with a local
5 governmental unit, [person or corporation](#), capitalization grant agreements, intended use plans,
6 operating plans, and other agreements and instruments contemplated by title VI of the Clean
7 Water Act, 33 U.S.C. § 1381 et seq., or this chapter, agreement and instruments contemplated by
8 chapter 24-18, grant agreements, contracts for financial assistance or other forms of assistance
9 from the state or the United States, and trust agreements and other financing agreements and
10 instruments pertaining to bonds;

11 (13) To authorize a representative to appear on its own behalf before other public bodies,
12 including, without limiting the generality of the foregoing, the congress of the United States, in
13 all matters relating to its powers and purposes;

14 (14) To provide financial assistance to a local governmental unit, [person, or, to a](#)
15 [corporation](#) to finance costs of approved projects, and to [thereby](#) acquire and hold local
16 governmental obligations [and non-governmental obligations](#) at such prices and in such manner as
17 the agency shall deem advisable, and sell local governmental obligations [and non-governmental](#)
18 [obligations](#) acquired or held by it at prices without relation to cost and in such manner as the
19 agency shall deem advisable, and to secure its own bonds with such obligations all as provided in
20 this chapter, [chapter 19.16 of title 23](#), ~~and chapter 24-18~~ [chapter 18 of title 24 and chapter 26.5 of](#)
21 [title 39. Furthermore, in connection with a recommendation by the Rhode Island commerce](#)
22 [corporation, this power shall include the power to designate a commercial project as a high](#)
23 [priority, and to provide that project with financial assistance as soon as practicable](#);

24 (15) To establish and collect such fees and charges as the agency shall determine to be
25 reasonable;

26 (16) To acquire, own, lease as tenant, or hold real, personal or mixed property or any
27 interest therein for its own use; and to improve, rehabilitate, sell, assign, exchange, lease as
28 landlord, mortgage, or otherwise dispose of or encumber the same;

29 (17) To do all things necessary, convenient, or desirable for carrying out the purposes of
30 this chapter and chapter 24-18 or the powers expressly granted or necessarily implied by this
31 chapter, [chapter 19.16 of title 23](#), ~~and chapter 24-18~~ [chapter 18 of title 24 and chapter 26.5 of title](#)
32 [39](#);

33 (18) To conduct a training course for newly appointed and qualified members and new
34 designees of ex-officio members within six (6) months of their qualification or designation. The

1 course shall be developed by the executive director, approved by the board of directors, and
2 conducted by the executive director. The board of directors may approve the use of any board of
3 directors or staff members or other individuals to assist with training. The training course shall
4 include instruction in the following areas: the provisions of chapters 46-12.2, 42-46, 36-14, and
5 38-2; and the agency's rules and regulations. The director of the department of administration
6 shall, within ninety (90) days of the effective date of this act [July 15, 2005], prepare and
7 disseminate, training materials relating to the provisions of chapters 42-46, 36-14 and 38-2; and

8 (19) Upon the dissolution of the water resources board (corporate) pursuant to § 46-15.1-
9 22, to have all the powers and duties previously vested with the water resources board
10 (corporate), as provided pursuant to chapter 46-15.1.

11 (20) To meet at the call of the chair at least eight (8) times per year. All meetings shall be
12 held consistent with chapters 42-46.

13 [\(21\) To be the sole issuer of QECCBs from the state of Rhode Island's allocation, including](#)
14 [any portions of which have been reallocated to the state by local governments, for any project](#)
15 [authorized to be financed with the proceeds thereof under the applicable provisions of 26 USC](#)
16 [54D.](#)

17 (b) Notwithstanding any other provision of this chapter, the agency shall not be
18 authorized or empowered:

19 (1) To be or to constitute a bank or trust company within the jurisdiction or under the
20 control of the department of banking and insurance of the state, or the commissioner thereof, the
21 comptroller of the currency of the United States of America, or the Treasury Department thereof;
22 or

23 (2) To be or constitute a bank, banker or dealer in securities within the meaning of, or
24 subject to the provisions of, any securities, securities exchange, or securities dealers' law of the
25 United States or the state.

26 **46-12.2-6. Establishment of the water pollution control revolving fund, the Rhode**
27 **Island water pollution control revolving fund and the local interest subsidy trust fund –**

28 **Sources of funds – Permitted uses.** -- (a) The agency shall be the instrumentality of the state for
29 administration of the water pollution control revolving fund, the Rhode Island water pollution
30 control revolving fund, and the local interest subsidy trust fund, and such other funds it holds or
31 for which it is responsible, and, in conjunction with the department, is empowered to and shall
32 take all action necessary or appropriate to secure to the state the benefits of title VI of the Clean
33 Water Act, 33 U.S.C. § 1381 et seq., and other federal or state legislation pertaining to the funds
34 and to the financing of approved projects. Without limiting the generality of the foregoing and

1 other powers of the agency provided in this chapter, the agency is empowered to and shall:

2 (1) Cooperate with appropriate federal agencies in all matters related to administration of
3 the water pollution control revolving fund and, pursuant to the provisions of this chapter,
4 administer the fund and receive and disburse such funds from any such agencies and from the
5 state as may be available for the purpose of the fund.

6 (2) Administer the Rhode Island water pollution control revolving fund and the local
7 interest subsidy trust fund, and receive and disburse such funds from the state as may be available
8 for the purpose of the funds subject to the provisions of this chapter.

9 (3) In cooperation with the department, prepare, and submit to appropriate federal
10 agencies applications for capitalization grants under title VI of the Clean Water Act, 33 U.S.C. §
11 1381 et seq., and enter into capitalization grant agreements, operating agreements, and other
12 agreements with appropriate federal and state agencies, and accept and disburse, as provided
13 herein, any capitalization grant awards made under title VI of the Clean Water Act, 33 U.S.C. §
14 1381 et seq.

15 (4) Cooperate with the department in the preparation and submission to appropriate
16 federal and state agencies of intended use plans identifying the use of capitalization grant awards
17 and other moneys in the water pollution control revolving fund.

18 (5) In cooperation with the department, prepare and submit to appropriate federal
19 agencies, the department and the governor, annual and other reports and audits required by law.

20 (6) Subject to the provisions of this chapter both to make, and enter into binding
21 commitments to provide financial assistance to a local governmental units persons or corporations
22 from amounts on deposit in the water pollution control revolving fund, the Rhode Island water
23 pollution control revolving fund and from other funds of the agency; and to provide, and enter
24 into binding commitments to provide subsidy assistance for loans ~~and~~, local governmental
25 obligations and non-governmental obligations from amounts on deposit in the local interest
26 subsidy trust fund.

27 (7) Establish and maintain fiscal controls and accounting procedures conforming to
28 generally accepted government accounting standards sufficient to ensure proper accounting for
29 receipts in and disbursements from the water pollution control revolving fund, the Rhode Island
30 water pollution control revolving fund, the local interest subsidy trust fund and other funds it
31 holds or for which it is responsible and, adopt such rules, regulations, procedures, and guidelines
32 which it deems necessary to ~~assure~~ ensure that local governmental units persons and corporations
33 administer and maintain approved project accounts and other funds and accounts relating to
34 financial assistance in accordance with generally accepted government accounting standards.

1 (b) The agency shall establish and set up on its books a special fund, designated the
2 water pollution control revolving fund, to be held in trust and to be administered by the agency
3 solely as provided in this chapter and in any trust agreement securing bonds of the agency. The
4 agency shall credit to the water pollution control revolving fund or one or more accounts therein:

5 (1) All federal capitalization grant awards received under title VI of the Clean Water
6 Act, 33 U.S.C. § 1381 et seq., provided the agency shall transfer to the department the amount
7 allowed by § 603(d)(7) of the Water Quality Act, 33 U.S.C. § 1383(d)(7), to defray
8 administration expenses;

9 (2) All amounts appropriated or designated to the agency by the state for purposes of the
10 fund;

11 (3) To the extent required by federal law, loan repayments and other payments received
12 by the agency on any loans, ~~and~~ local governmental obligations and non-governmental
13 obligations;

14 (4) All investment earnings on amounts credited to the fund to the extent required by
15 federal law;

16 (5) All proceeds of bonds of the agency to the extent required by any trust agreement for
17 such bonds;

18 (6) All other monies which are specifically designated for this fund, including, amounts
19 from the Rhode Island Clean Water Act environmental trust fund, gifts, bequests, administrative,
20 civil and criminal penalties, or other funds from any public or private sources; and

21 (7)(i) Any other amounts required by the provisions of this chapter, agreement, or any
22 other law or by any trust agreement pertaining to bonds to be credited to the fund or which the
23 agency in its discretion shall determine to credit thereto.

24 (ii) At the request of the governor, the agency shall take all action necessary to transfer
25 the state's allotment under title II of the Clean Water Act, 33 U.S.C. § 1281 et seq., for federal
26 fiscal year 1989 and each federal fiscal year thereafter, to the purposes of the water pollution
27 control revolving fund, provided that any portion of any allotment which, under the provisions of
28 the Clean Water Act, 33 U.S.C. § 1251 et seq., may not be transferred to or used for the purposes
29 of the water pollution control revolving fund, shall continue to be received and administered by
30 the department as provided by law.

31 (c) The agency shall establish and set up on its books a special fund, designated the
32 Rhode Island water pollution control revolving fund, to be held in trust and to be administered by
33 the agency solely as provided in this chapter and in any trust agreement securing bonds of the
34 agency. The agency shall credit to the Rhode Island water pollution control revolving fund or one

1 or more accounts therein:

2 (1) All amounts appropriated or designated to the agency by the state for purposes of the
3 fund;

4 (2) At its discretion, and to the extent allowed by law, loan repayments and other
5 payments received by the agency on any loans, ~~and~~ local governmental obligations and non-
6 governmental obligations;

7 (3) At its discretion, all investment earnings and amounts credited to the fund;

8 (4) All proceeds of bonds of the agency to the extent required by any trust agreement for
9 such bonds;

10 (5) All other monies which are specifically designated for this fund, including, amounts
11 from the Rhode Island Clean Water Act environmental trust fund, gifts, bequests, administrative,
12 civil and criminal penalties, or other funds from any public or private sources; and

13 (6) Any other amounts required by provisions of this chapter or agreement, or any other
14 law or any trust agreement pertaining to bonds to be credited to the fund or which the agency in
15 its discretion shall determine to credit thereto.

16 (d) Except to the extent limited by federal law, and subject to the provisions of this
17 chapter, to the provisions of any agreement with the state authorized by § 46-12.2-7, and to any
18 agreements with the holders of any bonds of the agency or any trustee therefor, amounts held by
19 the agency for the account of either the water pollution control revolving fund or the Rhode
20 Island water pollution control revolving fund shall be applied by the agency, either by direct
21 expenditure, disbursement, or transfer to one or more other funds and accounts held by the
22 agency or maintained under any trust agreement pertaining to bonds, either alone or with other
23 funds of the agency, to the following purposes:

24 (1) To provide financial assistance to a local governmental units or corporation to
25 finance costs of approved projects, and to refinance the costs of the projects, subject to such terms
26 and conditions, if any, as are determined by the department and/or the agency in accordance with
27 § 46-12.2-8;

28 (2) To purchase or refinance debt obligations of the a local governmental units or
29 corporation, or to provide guarantees, insurance or similar forms of financial assistance for the
30 obligations;

31 (3) To fund reserves for bonds of the agency and to purchase insurance and pay the
32 premiums therefor, and pay fees and expenses of letters or lines of credit and costs of
33 reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to
34 otherwise provide security for, and a source of payment for, by pledge, lien, assignment, or

1 otherwise as provided in § 46-12.2-14, bonds of the agency issued in accordance with this
2 chapter; and

3 (4)(i) To pay expenses of the agency and the department in administering the funds and
4 the financial assistance programs of the agency authorized by this chapter. As part of the annual
5 appropriations bill, the department shall set forth the gross amount of expenses received from the
6 agency and a complete, specific breakdown of the sums retained and/or expended for
7 administrative expenses.

8 (ii) By way of illustration, not by limitation, in the personnel area, the breakdown of
9 administrative expenses should contain the number of personnel paid, the position numbers of the
10 personnel, and whether or not the position is a new position or a position which had been funded
11 previously by federal funds or a position which had been previously created but unfunded.

12 (e) The agency shall also establish and set up on its books a special fund, designated the
13 local interest subsidy trust fund, to be held in trust and to be administered by the agency solely as
14 provided in this chapter and in any trust agreement securing bonds of the agency. The agency
15 may maintain a separate account in the local interest subsidy trust fund for each local
16 governmental unit or corporation which has received a loan from the agency, in accordance with
17 this chapter, to separately account for or otherwise segregate all or any part of the amounts
18 credited to the fund and receipts in and disbursements from the fund. To the extent that the
19 agency is required by this chapter, by any loan agreement or by any trust agreement, it shall, and,
20 to the extent that it is permitted, it may in its discretion, credit to the local interest subsidy trust
21 fund, and to one or more of the accounts or subaccounts therein:

22 (1) All amounts appropriated or designated to the agency by the state for purposes of the
23 fund;

24 (2) Loan repayments and other payments received on loans, ~~and~~ local governmental
25 obligations, [and non-governmental obligations](#);

26 (3) Investment earnings on amounts credited to the local interest subsidy trust fund;

27 (4) Proceeds of agency bonds;

28 (5) All other monies which are specifically designated for this fund including, amounts
29 from the Rhode Island Clean Water Act environmental trust fund, gifts, bequests, administrative,
30 civil and criminal penalties, or other funds from any public or private sources; and

31 (6) Any other amounts permitted by law.

32 (f) Subject to any agreement with the state authorized by § 46-12.2-7, to the provisions of
33 § 46-12.2-8, and to any agreement with the holders of any bonds of the agency or any trustee
34 therefor, amounts held by the agency for the account of the local interest subsidy trust fund shall

1 be applied by the agency, either by direct expenditure, disbursement, or transfer to one or more
2 other funds and accounts held by the agency or maintained under any trust agreement pertaining
3 to bonds, either alone or with other funds of the agency, to the following purposes:

4 (1) To pay or provide for all or a portion of the interest otherwise payable by a local
5 governmental units persons or corporations on loans, ~~and~~ local governmental obligations, and
6 non-governmental obligations, in the amounts and on terms determined by the agency in
7 accordance with § 46-12.2-8;

8 (2) To provide a reserve for, or to otherwise secure, amounts payable by a local
9 governmental units persons or corporations on loans, ~~and~~ local governmental obligations and
10 non-governmental obligations outstanding in the event of default thereof; amounts in any account
11 in the local interest subsidy trust fund may be applied to defaults on loans outstanding to the local
12 governmental unit person or corporation for which the account was established and, on a parity
13 basis with all other accounts, to defaults on any loans, ~~or~~ local governmental obligations, or non-
14 governmental obligations outstanding; and

15 (3) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
16 otherwise as provided in § 46-12.2-14, any bonds of the agency.

17 (g) Subject to any express limitation of this chapter pertaining to expenditure or
18 disbursement of funds or accounts held by the agency, funds or accounts held by the agency may
19 be transferred to any other fund or account held by the agency and expended or disbursed for
20 purposes permitted by the fund or account.

21 **46-12.2-8. Procedures for application, approval, and award of financial assistance. --**

22 (a) Any local governmental unit, person or corporation may apply to the agency for financial
23 assistance in accordance with this chapter to finance all or any part of the cost of a water pollution
24 abatement project. The agency shall not award financial assistance to a local governmental unit
25 person or corporation until and unless the department shall have issued a certificate of approval of
26 the project or portion thereof. Notwithstanding the foregoing, for water pollution abatement
27 projects funded outside of the water pollution control revolving fund, the Rhode Island water
28 pollution control revolving fund, or the local interest subsidy trust fund, the agency may provide
29 financial assistance without the requirement of the issuance of a certificate of approval, and such
30 projects shall not be required to be listed on the department's priority list as set forth in this
31 chapter.

32 (b) If the department shall determine, in accordance with rules and regulations
33 promulgated pursuant to this chapter, that an application for financial assistance or portion thereof
34 shall be approved, it shall deliver to the agency a certificate of approval of the project or a portion

1 thereof which shall specify the project or portion thereof eligible for financial assistance and such
2 other terms, conditions and limitations with respect to the construction and operation of the
3 project as the department shall determine. The agency shall specify, among other things, the type
4 and amount of financial assistance to be provided, the costs thereof eligible for financial
5 assistance, the amounts, if any, of the financial assistance, to be provided from the water pollution
6 control revolving fund and/or the Rhode Island water pollution control revolving fund, the
7 amount, if any, of subsidy assistance to be granted from the local interest subsidy trust fund, the
8 amount, if any, of other financial assistance permitted by this chapter to be provided, and such
9 other terms, conditions, and limitations on the financial assistance, the expenditure of loan
10 proceeds, and the construction and operation of the project as the agency shall determine or
11 approve.

12 (c) Any water pollution abatement project or portion thereof included on the priority list
13 established by the department for federal fiscal year 1989 or any federal fiscal year thereafter
14 shall be eligible for financial assistance in accordance with this chapter.

15 (d) In addition to the authority provided by law, the department shall be responsible for,
16 and shall have all requisite power to, review and approve reports and plans for water pollution
17 abatement projects and approved projects, or any part thereof, for which financial assistance has
18 been applied or granted in accordance with this chapter, to enter into contracts with a local
19 governmental units [persons or corporations](#) relative to approved projects, including, without
20 limiting the generality of the foregoing, the costs of approved projects eligible for financial
21 assistance, grants, and other terms, conditions and limitations with respect to the construction and
22 operation of the project, and to inspect the construction and operation thereof of projects in
23 compliance with approved plans. Without limiting the generality of the foregoing, in connection
24 with the exercise of its powers and performance of its duties under this chapter, the department
25 shall have all the powers provided by law to the department and its director. The department shall
26 adopt rules, regulations, procedures, and guidelines to carry out the purposes of this chapter and
27 for the proper administration of its powers and duties under this chapter. The rules, regulations,
28 procedures, and guidelines shall include among other things, criteria for determining those water
29 pollution abatement projects to be approved for financial assistance (the criteria shall include the
30 priority determination system), specification of eligible costs of the projects, and provisions for
31 compliance by projects constructed in whole or in part with funds directly made available under
32 this chapter by federal capitalization grants with the requirements of the Clean Water Act, 33
33 U.S.C. § 1351 et seq., and other federal laws applicable to the project. The department shall
34 cooperate with the agency in the development of capitalization grant applications, operating

1 plans, and intended use plans for federal capitalization grant awards under title VI of the Clean
2 Water Act, 33 U.S.C. § 1381 et seq., and may enter into such agreements and other undertakings
3 with the agency and federal agencies as necessary to secure to the state the benefits of title VI of
4 the Clean Water Act, 33 U.S.C. § 1381 et seq. In order to provide for the expenses of the
5 department under this chapter, the agency shall transfer to the department for application to the
6 expenses an amount from the water pollution control revolving fund equal to the maximum
7 amount authorized by federal law, and such additional amounts as may be needed from the Rhode
8 Island water pollution control fund and from any other monies available. The agency and the
9 department shall enter into an operating agreement and amend the same, from time to time,
10 allocating their respective rights, duties, and obligations with respect to the award of financial
11 assistance and grants to finance approved projects under this chapter and establishing procedures
12 for the application, approval, and oversight of projects, financial assistance, and grants.

13 (e) Upon issuance of a certificate of approval, the agency shall award as soon as
14 practicable the financial assistance to the local governmental unit, person or corporation for any
15 approved project specified in the certificate; provided, however, the agency may decline to award
16 any financial assistance which the agency determines will have a substantial adverse effect on the
17 interests of holders of bonds or other indebtedness of the agency or the interests of other
18 participants in the financial assistance program, or for good and sufficient cause affecting the
19 finances of the agency. All financial assistance shall be made pursuant to a loan agreement
20 between the agency and the local governmental unit, person or corporation, acting by and through
21 the officer or officers, board, committee, or other body authorized by law, or otherwise its chief
22 executive officer, according to the terms and conditions of the certificate of approval and such
23 other terms and conditions as may be established by the agency, and each loan shall be evidenced
24 and secured by the issue to the agency of local governmental obligations or non-governmental
25 obligations in fully marketable form in principal amount, bearing interest at the rate or rates
26 specified in the applicable loan agreement, and shall otherwise bear such terms and conditions as
27 authorized by this chapter and the loan agreement.

28 (f) The agency shall adopt rules, regulations, procedures, and guidelines for the proper
29 administration of its financial assistance programs and the provision of financial assistance under
30 this chapter. The rules, regulations, procedures, and guidelines shall be consistent with the
31 requirements of title VI of the Clean Water Act, 33 U.S.C. § 1381 et seq., and any rules,
32 regulations, procedures, and guidelines adopted by the department, and may include, without
33 limitation, forms of financial assistance applications, loan agreements, and other instruments, and
34 provision for submission to the agency and the department by a local governmental unit, person

1 [or corporation](#) of the information regarding the proposed water pollution abatement project, the
2 wastewater system of which it is a part, and the local governmental unit or corporation as the
3 agency or the department shall deem necessary, to determine the eligibility of a project for
4 financial assistance under this chapter, the financial feasibility of a project, and the sufficiency of
5 general revenues or wastewater system revenues to secure and pay the loan and the local
6 governmental obligations [or non-governmental obligations](#) issued to evidence the project. [The](#)
7 [agency shall, no later than December 31, 2015, enter into an agreement with the Rhode Island](#)
8 [commerce corporation to ensure collaboration for brownfields and energy efficiency related](#)
9 [projects to which the agency provides financial assistance to corporations.](#)

10 (g) Subject to the provisions of any trust agreement securing bonds of the agency, when
11 the agency shall have awarded a loan eligible for subsidy assistance from funds held by the
12 agency for the credit of the local interest subsidy trust fund, the agency shall credit to the
13 applicable account in the fund maintained in accordance with § 46-12.2-6(e), the amount, if any,
14 as provided in the loan agreement to defray all or a portion of the interest otherwise payable by
15 the local governmental unit, [person or corporation](#) on the loan.

16 (h) In addition to other remedies of the agency under any loan agreement or otherwise
17 provided by law, the agency may also recover from a local governmental unit, [person or](#)
18 [corporation](#), in an action in superior court, any amount due the agency together with any other
19 actual damages the agency shall have sustained from the failure or refusal of the local
20 governmental unit or corporation to make the payments.

21 **46-12.2-9. Authorization to expend funds available for local grants.** -- In addition to
22 the financial assistance provided by the agency to a local governmental units, [persons](#) or
23 corporations for approved projects in accordance with this chapter, the department is hereby
24 authorized to expend funds otherwise available for grants ~~to~~ [to](#) local governmental units, [persons](#)
25 or ~~corporation~~ [corporations](#) to the extent permitted by federal and state law.

26 **46-12.2-10. Powers of local governmental units.** -- Notwithstanding any provision of
27 general law, special law or municipal charter to the contrary:

28 (1) In addition to authority granted otherwise by this chapter and in any bond act or other
29 law, a local governmental unit, acting by and through the officer or officers, board, committee, or
30 other body authorized by law, if any, or otherwise the chief executive officer, shall have the
31 power to:

32 (i) Issue local governmental obligations as provided herein: (A) if and to the amount
33 authorized by a bond act; ~~or~~ (B) without limitation as to the amount, if issued as limited
34 obligations, pursuant to §46-12.2-12 [or § 46-12.2-12.1](#); or [\(C\) without limitation as to the](#)

1 [amount, if issued as a financing lease or other appropriation obligation;](#)

2 (ii) Plan, design, acquire, construct, operate, maintain, and otherwise undertake any ~~water~~
3 ~~pollution abatement~~ project subject to the rules, regulations, procedures, and guidelines of the
4 department, if applicable, in effect from time to time and the requirements of any other applicable
5 law;

6 (iii) Apply for, accept, and expend, financial assistance and grants for the purpose of
7 financing costs of ~~water pollution abatement~~ projects subject to the rules, regulations, procedures,
8 and guidelines of the agency and the department, [if applicable](#), in effect from time to time, the
9 provisions of the applicable loan agreement, and the requirements of other applicable law;

10 (iv) Authorize, execute, deliver, and comply with loan agreements, trust agreements,
11 grant agreements, [financing leases, appropriation agreements](#), and other agreements, and
12 instruments with the agency, the department, and other persons relating to financial assistance
13 and grants hereunder, and the issue of local governmental obligations to evidence loans, and
14 perform the same;

15 (v) Receive, apply, pledge, assign, and grant security interests in its general revenues and
16 wastewater system revenues to secure its obligations under local governmental obligations and
17 other financial assistance; and

18 (vi) Fix, revise, charge, and collect such fees, rates, rents, assessments, and other charges
19 of general or special application for the costs and/or use of any approved project, ~~the~~ [any](#)
20 wastewater system ~~of which it is a part~~, and any other revenue producing facilities from which the
21 local governmental unit may derive wastewater system revenues, or for the services provided
22 thereby, as it shall deem necessary to meet its obligations under any loan agreement or local
23 governmental obligations outstanding or otherwise to provide for the costs and/or operation of the
24 project [and any wastewater](#) ~~the~~ system.

25 (2) In order to provide for the collection and enforcement of fees, rates, rents,
26 assessments, and other charges for the operation of any approved project, [any](#) ~~the~~ wastewater
27 system ~~of which it is a part~~, and any other revenue producing facilities from which the local
28 governmental units may derive wastewater system revenues, in addition to any other authority
29 provided by law or any bond act applicable to a particular local governmental unit, local
30 governmental units are hereby granted all the powers and privileges granted to them by the
31 general laws of the state with respect to any similar fee, rate, rent, assessment, or other charge.
32 All unpaid fees, rates, rents, assessments, and other charges shall be a lien upon the real estate
33 served for which the unpaid fees, rates, rents, assessments, or other charges have been made. A
34 lien shall arise and attach as of the due date of each unpaid fee, rate, rent, assessment, or other

1 charge. Subject to the provisions of § 39-26.5-6, the ~~The~~ lien shall be superior to any other lien
2 other than a tax lien, encumbrance, or interest in the real estate, whether by way of mortgage,
3 attachment, or otherwise, except easements and restrictions. In the case of a life estate, the
4 interest of the tenant for life shall first be liable for the unpaid fees, rates, rents, assessments, or
5 other charges. The local governmental unit may enforce the lien by advertising and selling any
6 real estate liable for unpaid fees, rents, assessments, and other charges in the manner provided for
7 the enforcement of liens for unpaid taxes by chapter 9 of title 44, as amended from time to time.

8 (3) Any city or town and any other local governmental unit acting by and through the
9 officer or officers, board, committee, other body authorized by law, or otherwise the chief
10 executive officer, may enter into agreements with the agency or the department, if applicable,
11 regarding the operation of a pricing system adopted under any applicable law for the services
12 provided by any approved project, the wastewater system of which it is a part, and any other
13 revenue producing facilities from which the local governmental unit may derive wastewater
14 system revenues. The agreements may include, without limitation, provisions defining the costs
15 of services, the approved project, and the wastewater system and other facilities, and covenants or
16 agreements, regarding the fixing and collection of fees, rates, rents, assessments and other
17 charges for the costs and the maintenance of the pricing system at levels sufficient to pay or
18 provide for all the costs and any payments due the agency under any loan agreement or local
19 governmental obligations.

20 (4) Any city or town and any other local governmental unit acting by and through the
21 officer or officers, board, committee, or other body authorized by law, or otherwise the chief
22 executive officer, may enter into agreements with the agency and the department, if applicable,
23 regarding the operation of an enterprise fund established for any approved project, any the
24 wastewater system ~~of which it is a part~~, and any other revenue producing facilities from which the
25 local governmental unit may derive wastewater system revenues. The agreements may include,
26 without limitation, fiscal and accounting controls and procedures, provisions regarding the
27 custody, safeguarding, and investment of ~~wastewater-system~~ revenues, and other amounts
28 credited thereto, the establishment of reserves and other accounts and funds, and the application
29 of any surplus funds.

30 (5) The provisions of any charter, other laws or ordinances, general, special, or local, or
31 of any rule or regulation of the state or any municipality, restricting or regulating in any manner
32 the power of any municipality to lease (as lessee or lessor) or sell property, real, personal, or
33 mixed, shall not apply to leases and sales made with the agency pursuant to this chapter.

34 (6) Any municipality, notwithstanding any contrary provision of any charter, other laws

1 or ordinances, general, special or local, or of any rule or regulations of the state or any
2 municipality, is authorized and empowered to lend, pledge, grant, convey to, or lease from the
3 agency, at its request, upon terms and conditions that the chief executive officer, if any, or where
4 no chief executive officer exists, the city or town council of the municipality, may deem
5 reasonable and fair and without the necessity for any advertisement, order of court, or other
6 action or formality, any real property or personal property which may be necessary or convenient
7 to effectuation of the authorized purpose of the agency, including other real property already
8 devoted to public use.

9 **46-12.2-11 Authority of local governmental units to issue obligations -- Terms. --** (a)

10 In addition to the powers of any local governmental unit provided in any bond act, whenever a
11 local governmental unit has applied for and accepted a loan from the agency and entered into a
12 loan agreement therefor, any local governmental obligations issued by the local governmental
13 unit to evidence the loan may be issued in accordance with, and subject to the limitations of this
14 chapter, notwithstanding the provisions of the bond act authorizing the obligation or any other
15 general or special law or provision of municipal charter to the contrary. The provisions of this
16 chapter shall apply to the issuance of local governmental obligations under authority of any bond
17 act heretofore enacted and under authority of any bond act hereafter enacted unless the bond act
18 expressly provides that the provisions of this chapter shall not so apply. Notwithstanding the
19 foregoing, no local governmental obligation issued as a general obligation bond shall be issued
20 unless authorized by a vote of the body or bodies required by the charter, ordinances, or laws
21 governing the local governmental unit, or the applicable bond act for the authorization of
22 indebtedness of the local governmental unit.

23 (b) Local governmental obligations issued by any local governmental unit shall be dated,
24 may bear interest at such rate or rates, including rates variable, from time to time, subject to such
25 minimum or maximum rate, if any, as may be determined by such index or other method of
26 determination provided in the applicable loan agreement, shall mature in such amount or amounts
27 and at such time or times, not later than the maximum dates, if any, provided herein, and may be
28 made redeemable in whole or in part before maturity at the option of the local governmental unit
29 or at the option of the agency, at such price or prices and under such terms and conditions as may
30 be fixed in the loan agreement prior to the issue of the local governmental obligations. Local
31 governmental obligations may be issued as serial bonds or term bonds or any combination thereof
32 with such provision, if any, for sinking funds for the payment of bonds as the local governmental
33 unit and the agency may agree. The local governmental obligations may be sold at private sale
34 and may be in such form, payable to the bearer thereof or the registered owner, whether

1 certificated or uncertificated, be in such denominations, payable at such place or places, within or
2 without the state, and otherwise bear such terms and conditions, not inconsistent with this
3 chapter, as provided in the applicable loan agreement or as the agency and the local governmental
4 unit shall otherwise agree. The local governmental obligations may be issued in principal amount
5 equal to the loan evidenced thereby or at such discount as the agency and the local governmental
6 unit shall agree.

7 (c) Local governmental obligations shall be payable within a period not exceeding the
8 greater of the period, if any, specified in the applicable bond act or the useful life of the approved
9 project financed by such obligations as determined by the department, or, if incurred to finance
10 more than one project, the average useful life of the projects. Except as otherwise provided in this
11 chapter, the local governmental obligations shall be payable by such equal, increasing, or
12 decreasing installments of principal, annual or otherwise, as will extinguish the obligations at
13 maturity, the first installment to be payable no later than ~~one~~ three (3) years after the date of
14 issuance of the obligations or one year after the date of completion of the approved project
15 financed by the obligations, as determined by the department, whichever date is later, and the
16 remaining installments of principal, if any, to be in such amounts and payable on such dates as
17 the agency and the local governmental unit shall agree.

18 (d) If a local governmental unit has authorized borrowing in accordance with this chapter
19 and the issuance of local governmental obligations to evidence the borrowing under any bond act,
20 the local governmental unit may, subject to the applicable loan agreement and with the approval
21 of the agency, issue notes to the agency to evidence ~~of~~ the loan. The issuance of the notes shall be
22 governed by the provisions of this chapter relating to the issue of bonds other than notes, to the
23 extent applicable, provided the maturity date of the notes shall not exceed five (5) years from the
24 date of issue of the notes, ~~or the expected date of completion of the approved project financed~~
25 ~~thereby as determined by the department, if later.~~ Notes issued for less than the maximum
26 maturity date may be renewed by the issue of other notes maturing no later than the maximum
27 maturity date.

28 (e) A local governmental unit may issue local governmental obligations to refund or pay
29 at maturity or earlier redemption any local governmental obligations outstanding under any loan
30 agreement, or to refund or pay any other debt of the local governmental unit issued to finance the
31 approved project to which the loan agreement pertains. The refunding local governmental
32 obligations may be issued in sufficient amounts to pay or provide for the principal of the
33 obligations refunded, any redemption premium thereon, any interest accrued and to accrue to the
34 date of payment of the obligations, the costs of issuance of the refunding obligations and any

1 reserves required by the applicable loan agreement. The issue of refunding local governmental
2 obligations, the amount and dates of maturity or maturities and other details thereof, the security
3 therefor, and the rights, duties, and obligations of the local governmental unit in respect to the
4 same shall be governed by the provisions of this chapter relating to the issue of local
5 governmental obligations other than refunding obligations as this chapter may be applicable.

6 (f) Except as otherwise provided in § 46-12.2-12 [and § 46-12.2-12.1](#), the applicable bond
7 act, or by agreement between the agency and a local governmental unit, all local governmental
8 obligations issued in accordance with this section shall be general obligations of the local
9 governmental unit issuing the obligations for which its full faith and credit are pledged and for the
10 payment of which all taxable property in the local governmental unit shall be subject to ad
11 valorem taxation without limit as to rate or amount except as otherwise provided by law.

12 **46-12.2-13 Trust agreements pertaining to local governmental obligations.** -- (a)
13 Notwithstanding any general or special law to the contrary, local governmental obligations issued
14 in accordance with this chapter may be secured by one or more trust agreements, including, or in
15 addition to the applicable loan agreement, between the local governmental unit and a corporate
16 trustee, which may be a trust company or bank having the powers of a trust company within or
17 without the state, or directly between the agency and the local governmental unit. Any trust
18 agreement shall be in such form and shall be executed as provided in the applicable loan
19 agreement or as otherwise agreed to between the agency and the local governmental unit.

20 (b) Any trust agreement directly or indirectly securing local governmental obligations
21 may, in addition to other security provided by law, pledge or assign, and create security interests
22 in, all or any part of the general revenues of the local governmental unit. Any trust agreement
23 may contain such provisions for protecting and enforcing the rights, security, and remedies of the
24 agency, or other holders of the local governmental obligations, as may be determined by the
25 agency including, without limitation, provisions defining defaults and providing for remedies in
26 the event thereof, which may include the acceleration of maturities [to the extent permitted by law](#),
27 and covenants setting forth the duties of, and limitations on, the local governmental unit in
28 relation to the custody, safeguarding, investment, and application of moneys, including general
29 revenues and wastewater system revenues, the issue of additional and refunding local
30 governmental obligations and other bonds, notes, or obligations on a parity or superior thereto,
31 the establishment of reserves, the establishment of sinking funds for the payment of local
32 governmental obligations, and the use of surplus proceeds of local governmental obligations. A
33 trust agreement securing local governmental obligations issued in accordance with § 46-12.2-12
34 may also include covenants and provisions not in violation of law regarding the acquisition,

1 construction, operation, and carrying out of the approved project financed by the [local](#)
2 [governmental](#) obligations, the wastewater system of which it is a part, and any other revenue
3 producing facilities from which the local governmental unit may derive wastewater system
4 revenues [or other general revenues](#), the fixing and collection of wastewater system revenues [or](#)
5 [other general revenues](#), and the making and amending of contracts relating thereto.

6 (c) In addition to other security provided herein or otherwise by law, any local
7 governmental obligations issued under authority of this chapter may be secured, in whole or in
8 part, by insurance or by letters or lines of credit or other credit facilities issued by any insurance
9 company, bank, trust company, or other financial institution, within or without the state, and a
10 local governmental unit may pledge [subject to applicable voter approval requirements](#), ~~or~~ assign,
11 [or](#) appropriate any of its general revenues or wastewater system revenues, as appropriate, as
12 security for the reimbursement to the issuers of insurance, letters, or lines of credit or other credit
13 facilities of any payments made thereunder.

14 (d) Any trust agreement may set forth the rights and remedies of the agency or other
15 holders of the local governmental obligations secured thereby and of any trustee or other
16 fiduciary thereunder.

17 (e) In addition to any other remedies provided under the applicable loan agreement or
18 otherwise by law, the agency and any other holder of local governmental obligations issued under
19 the provisions of this chapter, and any trustee under any trust agreement securing the obligations
20 may bring suit in the superior court upon the local governmental obligations, and may, either at
21 law or in equity, by suit, action, mandamus, or other proceeding for legal or equitable relief,
22 including, in the case of local governmental obligations issued in accordance with § 46-12.2-12,
23 proceedings for the appointment of a receiver to take possession and control of the approved
24 project financed thereby, the wastewater system of which it is a part, or any other revenue
25 producing facilities from which the local governmental unit may derive wastewater system
26 revenues [or other general revenues](#), to operate and maintain the system or facility in compliance
27 with law, to make any necessary repairs, renewals, and replacements and to fix, revise, and
28 collect wastewater system revenues, protect, and enforce any and all rights under the laws of the
29 state or granted in this chapter or under any trust agreement, and may enforce and compel the
30 performance of all duties required by this chapter, the loan agreement, the applicable bond act, or
31 the trust agreement to be performed by the local governmental unit or any officer thereof.

32 (f) A pledge of general revenues or wastewater system revenues in accordance with this
33 chapter shall constitute a sufficient appropriation thereof for the purposes of any provision for
34 appropriation for so long as the pledge shall be in effect, and, notwithstanding any general or

1 special law or municipal charter to the contrary, the revenues shall be applied as required by the
2 pledge and the trust agreement evidencing the revenues without further appropriation.

3 (g) A pledge or assignment of general revenues, other than wastewater system revenues,
4 may be made only to secure general obligations of a local governmental unit.

5 **46-12.2-14. Bonds of the agency.** -- (a) The agency may provide by resolution of the
6 board of directors for the issuance, from time to time, of bonds of the agency for any of its
7 corporate purposes, including those set forth in [this](#) chapter [and chapter 19.16 of title 23, ~~24-18~~](#)
8 [chapter 18 of title 24, and chapter 26.5 of title 39](#), or for the borrowing of money in anticipation
9 of the issuance of the bonds. Bonds issued by the agency may be issued as general obligations of
10 the agency or as special obligations payable solely from particular revenues or funds as may be
11 provided for in any trust agreement or other agreement securing bonds. The agency may also
12 provide by resolution of the board of directors for the issuance, from time to time, of temporary
13 notes in anticipation of the revenues to be collected or received by the agency, including, without
14 limitation, in anticipation of any payments to the agency from the state pursuant to § 46-12.2-7,
15 or in anticipation of the receipt of other grants or aid. The issue of notes shall be governed by the
16 provisions of this chapter and chapter [19.16 of title 23, ~~24-18~~ chapter 18 of title 24, and chapter](#)
17 [26.5 of title 39](#), as applicable, relating to the issue of bonds of the agency other than temporary
18 notes as these chapters may be applicable; provided, however, that notes issued in anticipation of
19 revenues shall mature no later than one year from their respective dates, or the date of expected
20 receipt of the revenues, if later, and notes issued in anticipation of grants, or other aid and
21 renewals thereof, shall mature no later than six (6) months after the expected date of receipt of the
22 grant or aid.

23 (b) The bonds of each issue shall be dated, may bear interest at such rate or rates,
24 including rates variable from time to time as determined by such index, banker's loan rate, or
25 other method determined by the agency, and shall mature or otherwise be payable at such time or
26 times, as may be determined by the agency, and may be made redeemable before maturity at the
27 option of the agency or the holder thereof at such price or prices and under such terms and
28 conditions as may be fixed by the agency. The agency shall determine the form of bonds, and the
29 manner of execution of the bonds, and shall fix the denomination or denominations of the bonds,
30 and the place or places of payment of principal, redemption premium, if any, and interest, which
31 may be paid at any bank or trust company within or without the state. In case any officer whose
32 signature or a facsimile of whose signature shall appear on any bonds shall cease to be the officer
33 before the delivery thereof, the signature or facsimile shall nevertheless be valid and sufficient for
34 all purposes as if the officer had remained in office until delivery. The agency may provide for

1 authentication of bonds by a trustee, fiscal agent, registrar, or transfer agency. Bonds may be
2 issued in bearer or in registered form, or both, and, if notes, may be made payable to the bearer or
3 to order, as the agency may determine. The agency may also establish and maintain a system of
4 registration for any bonds whereby the name of the registered owner, the rights evidenced by the
5 bonds, the transfer of the bonds, and the rights and other similar matters, are recorded in books or
6 other records maintained by or on behalf of the agency, and no instrument evidencing the bond or
7 rights need be delivered to the registered owner by the agency. A copy of the books or other
8 records of the agency pertaining to any bond registered under a registration system certified by an
9 authorized officer of the agency or by the agent of the agency maintaining the system shall be
10 admissible in any proceeding without further authentication. The board of directors may by
11 resolution delegate to any member or officer of the agency, or any combination thereof, the
12 power to determine any of the matters set forth in this section. In the discretion of the agency,
13 bonds of the agency may be issued with such terms as will cause the interest thereon to be subject
14 to federal income taxation. The agency may sell its bonds in such manner, either at public or
15 private sale, for the price, at the rate or rates of interest, or at discount in lieu of interest, as it may
16 determine will best effect the purposes of this chapter or chapter 24-18, as applicable,.

17 (c) The agency may issue interim receipts or temporary bonds, exchangeable for
18 definitive bonds, when the bonds shall have been executed and are available for delivery. The
19 agency may also provide for the replacement of any bonds which shall have become mutilated or
20 shall have been destroyed or lost. The agency, by itself or through such agency as it may select,
21 may purchase and invite offers to tender for purchase any bonds of the agency at any time
22 outstanding; provided, however, that no purchase by the agency shall be made at a price,
23 exclusive of accrued interest, if any, exceeding the principal amount thereof or, if greater, the
24 redemption price of the bonds when next redeemable at the option of the agency, and may resell
25 any bonds so purchased in such manner and for such price as it may determine will best effect the
26 purposes of this chapter or chapter [19.16 of title 23](#), ~~24-18~~ [chapter 18 of title 24](#), and [chapter 26.5](#)
27 [of title 39](#), as applicable,.

28 (d) In the discretion of the board of directors, any bonds issued under this section may be
29 secured by a trust agreement in such form and executed in such manner as may be determined by
30 the board of directors, between the agency and the purchasers or holders of the bonds, or between
31 the agency and a corporate trustee which may be any trust company or bank having the powers of
32 a trust company within or without the state. The trust agreement may pledge or assign, in whole
33 or in part, any loan agreements, ~~and~~ local governmental obligations [and non-governmental](#)
34 [obligations](#), and the revenues, funds, and other assets or property held or to be received by the

1 agency, including without limitation all moneys and investments on deposit from time to time in
2 the water pollution control revolving fund, the Rhode Island water pollution control revolving
3 fund, and the local interest subsidy trust fund, or the municipal road and bridge revolving fund, as
4 applicable, and any contract or other rights to receive the same, whether then existing or
5 thereafter coming into existence and whether then held or thereafter acquired by the agency, and
6 the proceeds thereof. The trust agreement may contain such provisions for protecting and
7 enforcing the rights, security, and remedies of the bondholders as may be reasonable and proper
8 including, without limiting the generality of the foregoing, provisions defining defaults and
9 providing for remedies in the event thereof which may include the acceleration of maturities,
10 restrictions on the individual right of action by bondholders, and covenants setting forth the duties
11 of and limitations on the agency in relation to the custody, safeguarding, investment, and
12 application of moneys, the enforcement of loan, ~~and~~ local governmental obligations and non-
13 governmental obligations, the issue of additional or refunding bonds, the fixing, revision,
14 charging, and collection of charges, the use of any surplus bond proceeds, the establishment of
15 reserves, and the making and amending of contracts.

16 (e) In the discretion of the board of directors, any bonds issued under authority of this
17 chapter or chapter 19.16 of title 23, ~~24-18~~ chapter 18 of title 24, and chapter 26.5 of title 39 may
18 be issued by the agency in the form of lines of credit or other banking arrangements under terms
19 and conditions, not inconsistent with this chapter or chapter 19.16 of title 23, ~~24-18~~ chapter 18 of
20 title 24, and chapter 26.5 of title 39, and under such agreements with the purchasers or makers
21 thereof or any agent or other representative of such purchasers or makers, as the board of
22 directors may determine to be in the best interests of the agency. In addition to other security
23 provided herein or otherwise by law, bonds issued by the agency under any provision of this
24 chapter or chapter 19.16 of title 23, ~~24-18~~ chapter 18 of title 24, and chapter 26.5 of title 39 may
25 be secured, in whole or in part, by financial guarantees, by insurance, or by letters or lines of
26 credit issued to the agency or a trustee or any other person, by any bank, trust company, insurance
27 or surety company, or other financial institution, within or without the state, and the agency may
28 pledge or assign, in whole or in part, any loan, ~~and~~ local governmental obligations and non-
29 governmental obligations, and the revenues, funds, and other assets and property held or to be
30 received by the agency, and any contract or other rights to receive the same, whether then existing
31 or thereafter coming into existence and whether then held or thereafter acquired by the agency,
32 and the proceeds thereof, as security for the guarantees or insurance or for the reimbursement by
33 the agency to any issuer of the line or letter of credit.

34 (f) It shall be lawful for any bank or trust company to act as a depository or trustee of the

1 proceeds of bonds, revenues, or other moneys under a trust agreement of the agency, and to
2 furnish indemnification and to provide security as may be required by the agency. It is hereby
3 declared that any pledge or assignment made by the agency under this chapter or chapter [19.16 of](#)
4 [title 23, ~~24-18~~ chapter 18 of title 24, and chapter 26.5 of title 39](#) is an exercise of the
5 governmental powers of the agency, and loan agreements, ~~and~~ local governmental obligations [and](#)
6 [non-governmental obligations](#), revenues, funds, assets, property, and contract or other rights to
7 receive the same and the proceeds thereof, which are subject to the lien of a pledge or assignment
8 created under this chapter or chapter [19.16 of title 23, ~~24-18~~ chapter 18 of title 24, and chapter](#)
9 [26.5 of title 39](#), shall not be applied to any purposes not permitted by the pledge or assignment.

10 (g) Any holder of a bond issued by the agency under the provisions of this chapter or
11 chapter [19.16 of title 23, ~~24-18~~ chapter 18 of title 24, and chapter 26.5 of title 39](#) and any trustee
12 or other representative under a trust agreement securing the trustee or representative, except to the
13 extent the rights herein given may be restricted by the trust agreement, may bring suit upon the
14 bonds in the superior court and may, either at law or in equity, by suit, action, mandamus, or
15 other proceeding for legal or equitable relief, protect and enforce any and all rights under the laws
16 of the state or granted hereunder or under the trust agreement, and may enforce and compel
17 performance of all duties required by this chapter, chapter [19.16 of title 23, ~~24-18~~ chapter 18 of](#)
18 [title 24, and chapter 26.5 of title 39](#), or by the trust agreement, to be performed by the agency or
19 by any officer thereof.

20 **46-12.2-17. No additional consent required.** -- Except as provided in this section, bonds
21 and local governmental obligations, [and non-governmental obligations](#) may be issued under this
22 chapter or chapter 24-18 without obtaining the consent of any executive office, department,
23 division, commission, board, bureau, or agency of the state or any political subdivision thereof,
24 and without any other proceedings or the happening of any condition, or acts other than those
25 proceedings, conditions, or acts which are specifically required therefor hereunder or under any
26 applicable bond act, and the validity of and security for any bonds issued by the agency pursuant
27 to this chapter or chapter 24-18, and any local governmental obligations, [and non-governmental](#)
28 [obligations](#) issued in accordance herewith, shall not be affected by the existence or nonexistence
29 of any consent or other proceedings, conditions, or acts. Nothing in this chapter or chapter 24-18
30 shall exempt the agency from the provisions of chapter 10.1 of title 42 entitled "Public Finance
31 Management Board," and the Narragansett Bay ~~water quality management district~~ commission
32 shall not issue any bonds, notes, or other indebtedness without the approval of the division of
33 public utilities as required by § 39-3-15.

34 **46-12.2-25. Supplemental powers -- Inconsistent laws.** -- The provisions of this chapter

1 and chapter [19.16 of title 23](#), ~~24-18~~ [chapter 18 of title 24](#), and [chapter 26.5 of title 39](#) shall be
2 deemed to provide an additional, alternative, and complete method for accomplishing the
3 purposes of these chapters, and shall be deemed and construed to be supplemental and additional
4 to, and not in derogation of, powers conferred upon the agency, the department, and local
5 governmental units by other laws; provided, however, that insofar as the provisions of these
6 chapters are inconsistent with the provisions of any general or special law, municipal charter,
7 administrative order or regulations, the provisions of these chapters shall be controlling. Any
8 amounts appropriated by these chapters to the agency or the department shall be in addition to
9 any other amounts appropriated to the agency or the department by any other law.

10 SECTION 18. Chapter 46-12.2 of the General Laws entitled "Rhode Island Clean Water
11 Financing Agency" is hereby amended by adding thereto the following sections:

12 **46-12.2-4.2 Establishment of the efficient buildings fund.** -- [\(a\) There is hereby](#)
13 [authorized and created within the Rhode Island infrastructure bank an efficient buildings fund for](#)
14 [the purpose of providing technical, administrative and financial assistance to local governmental](#)
15 [units for energy efficient and renewable energy upgrades to public buildings and infrastructure,](#)
16 [including, but not limited to, streetlights. The Rhode Island infrastructure bank shall review and](#)
17 [approve all applications for projects to be financed through the efficient buildings fund.](#)

18 [The office of energy resources shall promulgate rules and regulations establishing a](#)
19 [project priority list for efficient buildings fund and the process through which a local](#)
20 [governmental unit may submit an application for inclusion of a project on the project priority list.](#)
21 [Upon issuance of the project priority list by the office of energy resources, the project priority list](#)
22 [shall be used by the Rhode Island infrastructure bank to determine the order in which financial](#)
23 [assistance shall be awarded. The Rhode Island infrastructure bank shall promulgate rules and](#)
24 [regulations to effectuate the provisions of this section which may include, without limitation,](#)
25 [forms for financial assistance applications, loan agreements, and other instruments. All rules and](#)
26 [regulations promulgated pursuant to this chapter shall be promulgated in accordance with the](#)
27 [provisions of chapter 35 of title 42. Eligibility for receipt of this financial assistance by a local](#)
28 [governmental unit shall be conditioned upon that local governmental unit reallocating their](#)
29 [remaining proportional QECB allocation to the state of Rhode Island.](#)

30 [\(b\) The Rhode Island infrastructure bank shall have all the powers necessary and](#)
31 [convenient to carry out and effectuate the purposes and provisions of this section including,](#)
32 [without limiting the generality of the preceding statement, the authority:](#)

33 [\(1\) To receive and disburse such funds from the state and federal government as may be](#)
34 [available for the purpose of the fund subject to the provisions of this section;](#)

1 (2) To make and enter into binding commitments to provide financial assistance to
2 eligible borrowers from amounts on deposit in the fund;

3 (3) To levy administrative fees on eligible borrowers as necessary to effectuate the
4 provisions of this section, provided the fees have been previously authorized by an agreement
5 between the Rhode Island infrastructure bank and the eligible borrower;

6 (4) To engage the services of third-party vendors to provide professional services;

7 (5) To establish one or more accounts within the fund; and

8 (6) Such other authority as granted to the Rhode Island infrastructure bank under this
9 chapter.

10 (c) Subject to the provisions of this section and to any agreements with the holders of any
11 bonds of the Rhode Island infrastructure bank or any trustee therefor, amounts held by the Rhode
12 Island infrastructure bank for the account of the fund shall be applied by the Rhode Island
13 infrastructure bank, either by direct expenditure, disbursement, or transfer to one or more other
14 funds and accounts held by the Rhode Island infrastructure bank or maintained under any trust
15 agreement pertaining to bonds, either alone or with other funds of the Rhode Island infrastructure
16 bank, to the following purposes:

17 (1) To provide financial assistance to local governmental units to finance costs of
18 approved projects, as set forth in subsection (a), and to refinance the costs of the projects, subject
19 to such terms and conditions, if any, as are determined by the Rhode Island infrastructure bank;

20 (2) To fund reserves for bonds of the Rhode Island infrastructure bank and to purchase
21 insurance and pay the premiums therefor, and pay fees and expenses of letters or lines of credit
22 and costs of reimbursement to the issuers thereof for any payments made thereon or on any
23 insurance, and to otherwise provide security for, and a source of payment for obligations of the
24 Rhode Island infrastructure bank, by pledge, lien, assignment, or otherwise as provided in this
25 chapter;

26 (3) To pay expenses of the Rhode Island infrastructure bank in administering the fund;

27 (4) To provide a reserve for, or to otherwise secure, amounts payable by borrowers on
28 loans and obligations outstanding in the event of default thereof; amounts in any account in the
29 fund may be applied to defaults on loans outstanding to the borrower for which the account was
30 established and, on a parity basis with all other accounts, to defaults on any loans or obligations
31 outstanding; and

32 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
33 otherwise as provided in this chapter, any bonds of the Rhode Island infrastructure bank.

34 (d) In addition to other remedies of the Rhode Island infrastructure bank under any loan

1 agreement or otherwise provided by law, the Rhode Island infrastructure bank may also recover
2 from a borrower, in an action in superior court, any amount due the Rhode Island infrastructure
3 bank together with any other actual damages the Rhode Island infrastructure bank shall have
4 sustained from the failure or refusal of the borrower to make the payments or abide by the terms
5 of the loan agreement.

6 (e) The Rhode Island infrastructure bank may create one or more loan loss reserve funds
7 to serve as further security for any loans made by the Rhode Island infrastructure bank or any
8 bonds of the Rhode Island infrastructure bank issued to fund energy efficiency improvements in
9 public buildings in accordance with this section.

10 (f) To the extent possible, and in accordance with law, the infrastructure bank shall
11 encourage the use of project labor agreements for projects over ten million dollars (\$10,000,000)
12 and local hiring on projects funded under this section.

13 (g) Any financial assistance provided by the Rhode Island infrastructure bank to a public
14 entity for the purpose of retrofitting a school building shall not be subject to the match established
15 by Rhode Island general laws §§ 16-7-35 to 16-7-47, and shall be made subject to coordination
16 with the Rhode Island department of education.

17 **46-12.2-12.1 Power of local governmental units to issue limited obligations payable**
18 **from energy efficiency savings.** – (a) If required by the applicable loan agreement, and
19 notwithstanding any general or special law or municipal charter to the contrary, local
20 governmental obligations shall be issued as limited obligations payable solely from an
21 appropriation of general revenues in an amount not to exceed the projected energy savings of the
22 project. Notwithstanding § 45-12.2-2 or any general or special law or municipal charter to the
23 contrary, all local governmental units shall have the power to issue such local governmental
24 obligations pursuant to this section without limit as to amount, and the amount of principal and
25 premium, if any, and interest on the obligations shall not be included in the computation of any
26 limit on the indebtedness of the local governmental unit or on the total taxes which may be levied
27 or assessed by the local governmental unit in any year or on any assessment, levy, or other charge
28 made by the local governmental unit on any other political subdivision or instrumentality of the
29 state. This section shall constitute the bond act for the issuance of such local governmental
30 obligations by local governmental units. Any local governmental obligations issued in accordance
31 with this section shall recite on its face that it is a limited obligation payable solely from an
32 appropriation of general revenues in an amount not to exceed the projected energy savings
33 pledged to its payment.

34 (b) The issuance of local governmental obligations in accordance with this section, the

1 maturity or maturities and other terms thereof, the security therefor, the rights of the holders
2 thereof, and the rights, duties, and obligation of the local governmental unit in respect of the same
3 shall be governed by the provisions of this chapter relating to the issue of local governmental
4 obligations to the extent applicable and not inconsistent with this section.

5 (c) A local government unit may appropriate general revenues on an annual basis to pay
6 any local governmental obligation provided that an event of non-appropriation shall not be an
7 event of default under any local governmental obligation.

8 **46-12.2-14.1 Electric and gas demand side charge proceeds as further security for**
9 **debt funding energy efficiency improvements in public buildings. -- (a) Upon receipt of the**
10 **electric and gas demand side charge proceeds identified in §§ 39-2-1.2(1) and 39-2-1.2 (m), the**
11 **Rhode Island infrastructure bank shall deposit the electric and gas demand side charge proceeds**
12 **in a loan loss reserve fund to provide security for any loans made by the Rhode Island**
13 **infrastructure bank or any bonds of the Rhode Island infrastructure bank issued to fund energy**
14 **efficiency improvements in public buildings pursuant to § 46-12.2-4.2. The funds in the loan loss**
15 **reserve fund described therein shall only be used after all other available loan loss reserve funds**
16 **have been applied.**

17 (b) After all loans and bonds in connection with the efficient buildings fund have been
18 repaid in full, the balance of the loan loss reserve fund, including any accrued interest, shall be
19 remitted to the electric and gas utilities described in § 39-2-1.2, to be used for energy efficiency
20 programmatic purposes.

21 SECTION 19. Sections 46-12.8-1, 46-12.8-2 and 46-12.8-5 of the General Laws in
22 Chapter 46-12.10 entitled "Water Projects Revolving Loan Fund" are hereby amended to read as
23 follows:

24 **46-12.8-1 Legislative findings. --** (a) It is hereby found that there exists and will in the
25 future exist within the state of Rhode Island the need to construct and reconstruct facilities related
26 to and acquire watershed protection land in connection with the provision of safe drinking water
27 throughout the state of Rhode Island.

28 (b) It is hereby further found that to provide financial assistance for the acquisition,
29 design, planning, construction, enlargement, repair, protection or improvement of public drinking
30 water supplies or treatment facilities, including any of those actions required under the federal
31 Safe Drinking Water Act of 1974, 42 U.S.C., §§ 300f – 300j-9, including the Safe Drinking
32 Water Act (SDWA) amendments of 1996 (Pub. L. 104-182) and any amendments thereto, it is
33 necessary to establish a revolving loan fund program to provide a perpetual source of low cost
34 financing for safety drinking water projects.

1 (c) It is hereby further found that to secure maximum benefit to the state from a safe
2 drinking water revolving loan fund, it is necessary to place such fund within the jurisdiction and
3 control of the Rhode Island ~~clean water finance agency~~ [infrastructure bank](#), which agency
4 presently runs the state's revolving fund with respect to the state's wastewater pollution abatement
5 program, which agency shall exclusively administer the financing portion of the safe drinking
6 water revolving loan fund, but which shall nevertheless work, as necessary, with the department
7 of environmental management, the water resources board, the Rhode Island department of health,
8 the division of public utilities and carriers and any other agency or instrumentality of the state or
9 federal government with responsibility for the development or supervision of water supply
10 facilities within the state.

11 **46-12.8-2 Definitions.** -- (a) "Agency" means the Rhode Island ~~clean water finance~~
12 ~~agency~~ [infrastructure bank](#).

13 (b) "Approved project" means any project or portion thereof of a governmental unit or
14 privately organized water supplier that has been issued a certificate of approval by the department
15 for assistance through the agency; and, notwithstanding the foregoing, shall include safe drinking
16 water projects funded outside of the drinking water state revolving fund without the requirement
17 of the issuance of a certificate of approval.

18 (c) "Department" means the department of health.

19 (d) "Local governmental obligations" means bonds, notes or other evidences of
20 indebtedness in fully marketable form issued by a governmental unit to evidence a loan from the
21 agency in accordance with this chapter or otherwise as provided herein.

22 (e) "Local governmental unit" means any town, city, district, commission, agency,
23 authority, board of other political subdivision or instrumentality of the state or of any political
24 subdivision thereof responsible for the ownership or operation of water supply facilities within
25 the state.

26 (f) "Obligations of private water companies" means bonds, notes or other evidences of
27 indebtedness, of private water companies, in fully marketable form.

28 (g) "Privately organized water supplier" means any water company not owned or
29 operated by a local governmental unit, existing under the laws of the state, and in the business of
30 operating a safe drinking water facility.

31 (h) "Water supply facility or facilities" means water reservoirs, wells and well sites,
32 transmission or distribution system, any and all real estate or interests in real estate held in
33 connection therewith, all equipment and improvements held in connection therewith, and any
34 property or interests therein, real, personal or mixed, used or held on to be used in connection

1 therewith.

2 (i) "Financial assistance" means any form of financial assistance other than grants
3 provided by the agency to a local governmental unit or private water company in accordance with
4 this chapter for all or any part of the cost of an approved project, including, without limitation,
5 temporary and permanent loans, with or without interest, [grants](#), guarantees, insurance, subsidies
6 for the payment of debt service on loans, lines of credit, and similar forms of financial assistance;
7 provided, however, notwithstanding the foregoing, for purposes of capitalization grant awards
8 made available to the agency pursuant to the American Recovery and Reinvestment Act of 2009
9 (P.L. 111-5), or as otherwise required in connection with other capitalization grant awards made
10 available to the agency, financial assistance shall also include principal forgiveness and negative
11 interest loans.

12 **46-12.8-5. Procedure for application, approval, and award of financial assistance. --**

13 (a) Any local governmental unit or privately organized water supplier may apply to the agency
14 for financial assistance in accordance with this chapter to finance all or any part of the cost of an
15 approved project. The agency shall not award financial assistance to such local government unit
16 or privately organized water supplier hereunder until and unless the department shall have issued
17 a certificate of approval of the project or portion thereof for which such financial assistance has
18 been sought. [Notwithstanding the foregoing, for safe drinking water projects funded outside of
19 the drinking water state revolving fund, the Agency may provide financial assistance without the
20 requirement of the issuance of a certificate of approval.](#)

21 (b) If the department shall determine, in accordance with rules and regulations
22 promulgated pursuant to this chapter, that an application for financial assistance or portion thereof
23 shall be approved, it shall deliver to the agency a certificate of approval of the project or a portion
24 thereof which shall specify the project or portion thereof eligible for financial assistance and such
25 other terms, conditions and limitations with respect to the construction and operation of the
26 project as the department shall determine. The agency shall specify, among other things, the type
27 and amount of financial assistance to be provided from the safe drinking water revolving loan
28 fund, the amount, if any, of subsidy assistance to be granted, the amount, if any, of other financial
29 assistance permitted by this chapter to be provided, and such other terms, conditions, and
30 limitations on the financial assistance, the expenditure of loan proceeds, and the construction and
31 operation of the project as the agency shall determine or approve.

32 (c) In addition to the authority provided by law, the department shall be responsible for,
33 and shall have all requisite power to, review and approve reports and plans for safe drinking
34 water projects and approved projects, or any part thereof, for which financial assistance has been

1 applied or granted in accordance with this chapter [from the safe drinking water revolving fund](#), to
2 enter into contracts with local governmental units and private water companies relative to
3 approved projects, including, without limiting the generality of the foregoing, the costs of
4 approved projects eligible for financial assistance, grants, and other terms, conditions and
5 limitations with respect to the construction and operation of the project, and to inspect the
6 construction and operation of approved projects in compliance with approved plans. Without
7 limiting the generality of the foregoing, in connection with the exercise of its powers and
8 performance of its duties under this chapter, the department shall have all the powers provided by
9 law to the department and its director. The department shall adopt rules, regulations, procedures,
10 and guidelines to carry out the purposes of this chapter and for the proper administration of its
11 powers and duties under this chapter. The rules, regulations, procedures, and guidelines shall
12 include among other things, criteria for determining those safe drinking water projects, to be
13 approved for financial assistance [from the safe drinking water revolving fund](#) and specification of
14 eligible costs of the projects. In order to provide for the expenses of the department under this
15 chapter, the agency shall transfer to the department for application to the expenses an amount
16 from the safe drinking water revolving loan fund equal to an amount as the agency and the
17 department shall reasonably determine. The agency and the department shall enter into an
18 operating agreement and amend the same, from time to time, allocating their respective rights,
19 duties, and obligations with respect to the award of financial assistance and grants to finance
20 approved projects under this chapter and establishing procedures for the application, approval,
21 and oversight of projects, financial assistance, and grants.

22 (d) Upon issuance of a certificate of approval, the agency shall award as soon as
23 practicable the financial assistance [from the safe drinking water revolving fund](#) to the local
24 governmental unit or privately organized water supplies for any approved project specified in the
25 certificate; provided, however, the agency may decline to award any financial assistance which
26 the agency determines will have a substantial adverse effect on the interests of holders of bonds,
27 notes or other evidences of indebtedness of the agency or the interests of other participants in the
28 financial assistance program, or for other good and sufficient cause affecting the finances of the
29 agency. All financial assistance shall be made pursuant to a loan agreement between the agency
30 and the local governmental unit or privately organized water supplier, acting by and through the
31 officer or officers, board, committee, or other body authorized by law, or otherwise its chief
32 executive officer, according to the terms and conditions of the certificate of approval and such
33 other terms and conditions as may be established by the agency, and each loan shall be evidenced
34 and secured by the issue to the agency of the local governmental obligations or obligations of the

1 privately organized water supplier, in fully marketable form in principal amount, bearing interest
2 at the rate or rates specified in the applicable loan agreement, and shall otherwise bear such terms
3 and conditions as authorized by this chapter and the loan agreement.

4 (e) The agency shall adopt rules, regulations, procedures, and guidelines for the proper
5 administration of its financial assistance programs and the provision of financial assistance under
6 this chapter. The rules, regulations, procedures, and guidelines shall be consistent with any rules,
7 regulations, procedures, and guidelines adopted by the department, and may include, without
8 limitation, forms of financial assistance applications, loan agreements, and other instruments, and
9 provisions for submission to the agency and the department by a local governmental unit or a
10 privately organized water supplier of the information regarding the proposed safe drinking water
11 project, the distribution system of which it is a part, and the local governmental unit or privately
12 organized water supplies as the agency or the department shall deem necessary to determine the
13 eligibility of a project, for financial assistance under this chapter, the financial feasibility of a
14 project, and the sufficiency of general revenues or system revenues to secure and pay the loan and
15 the local governmental obligations or obligations of the privately organized water supplier issued
16 to evidence the same.

17 (f) In addition to other remedies of the agency under any loan agreement or otherwise
18 provided by law, the agency may also recover from a local governmental unit or privately
19 organized water supplier, in an action in superior court, any amount due the agency together with
20 any other actual damages the agency shall have sustained from the failure or refusal of the local
21 governmental unit or privately organized water supplier to make the payments.

22 SECTION 20. Section 46-15.1-22 of the General Laws in Chapter 46-15.1 entitled
23 "Water Supply Facilities" is hereby amended to read as follows:

24 **46-15.1-22 Discontinuation of borrowing authority and abolishment of water**
25 **resources board (corporate).** -- (a) Notwithstanding any law to the contrary, including, but not
26 limited to, § 46-15.1-10, upon the effective date of this section, the water resources board
27 (corporate), established as a body politic and corporate and public instrumentality pursuant to this
28 chapter, shall be prohibited from borrowing money or issuing bonds for any purpose.

29 (b) The water resources board (corporate) shall continue to repay existing debt until all
30 such debt is fully repaid. Upon the repayment by the water resources board (corporate) of all such
31 existing obligations, the water resources board (corporate) shall be dissolved and all existing
32 functions and duties of the water resources board (corporate) shall be transferred to the Rhode
33 Island ~~clean water finance agency~~ [infrastructure bank](#), a body politic and corporate and public
34 instrumentality of the state established pursuant to chapter 46-12.2.

1 SECTION 21. Section 46-15.3-25 of the General Laws in Chapter 46-15.3 entitled
2 "Public Drinking Water Supply System Protection" is hereby amended to read as follows:

3 ~~46-15.3-25. Transfer of charges to Rhode Island Clean Water Finance Agency~~
4 ~~Rhode Island infrastructure bank~~ **Transfer of charges to Rhode Island infrastructure bank.**

5 ~~==~~ Notwithstanding any law, rule or regulation to the contrary, upon the dissolution of the water
6 resources board (corporate) pursuant to § 46-15.1-22, any charges remitted to the water resources
7 board (corporate) pursuant to this chapter shall be remitted to the Rhode Island ~~clean water~~
8 ~~finance agency~~ infrastructure bank, a body politic and corporate and public instrumentality of the
9 state established pursuant to chapter 46-12-2.

10 SECTION 22. This article shall take effect upon passage.

11

1 **ARTICLE 15**

2 RELATING TO GOVERNMENT ORGANIZATION

3 SECTION 1. Section 8-8-1 of the General Laws in Chapter 8-8 entitled "District Court"
4 is hereby amended to read as follows:

5 **8-8-1. District Court established -- Chief and associate justices.** -- There is established
6 a district court for the state of Rhode Island which shall consist of a chief judge and ~~twelve (12)~~
7 thirteen (13) associate judges. The district court shall be a court of record and shall have a seal
8 with such words and devices as it shall adopt.

9 SECTION 2. Chapter 8-8 of the General Laws entitled "District Court" is hereby
10 amended by adding thereto the following section:

11 **8-8-1.1. Veterans' treatment calendar.** – (a) Findings and declarations. The general
12 assembly finds and declares as follows:

13 (1) Veterans and active military, Reserve and National Guard service members have
14 provided or are currently providing an invaluable service to our country. In doing so, many return
15 and suffer from mental health injuries, including, but not limited to, post-traumatic stress
16 disorder, depression, anxiety, acute stress and other injuries that may affect brain function and
17 may also suffer drug and alcohol dependency or co-occurring mental illness and substance abuse
18 problems.

19 (2) The call back to active duty status rate of Rhode Island's National Guard is the second
20 highest in the entire United States with over ten thousand (10,000) unit deployments.

21 (3) The number of veterans living in Rhode Island who have served in the Gulf Wars is
22 three (3) times higher than the national per capita average and is expected to grow as troops
23 continue to withdraw from Afghanistan.

24 (4) While the vast majority of returning military do not have contact with the justice
25 system and are well adjusted, contributing members of society, there exists a growing number of
26 defendants appearing in the district court who have served in the United States armed forces and
27 are involved in the criminal justice system as a result of the above referenced diagnoses.

28 (5) As a grateful state, we must continue to honor the service of these participants by
29 providing them an alternative to incarceration when feasible, permitting them instead to obtain
30 proper treatment for mental health and substance abuse problems that have resulted from military

1 service through a jail diversion program/treatment program that recognizes their special set of
2 circumstances while at the same time providing accountability for their wrong-doing and
3 providing for the safety of the public.

4 (b) Declaration of policy. It is hereby declared to be the policy of the state of Rhode
5 Island to successfully rehabilitate participants by providing the tools and skills necessary to
6 address their unique challenges and to develop the insight to reintegrate successfully into society
7 and maintain a productive and law abiding lifestyle within the community.

8 (c) Establishment. To accomplish this purpose in an effort to direct defendants who have
9 served in the United States armed forces into a court program which integrates support and
10 treatment plans with the judicial process that will result in potential jail diversion, possible
11 reduction of charges or alternatives in sentencing, there shall be established a separate calendar
12 within the jurisdiction of the district court for hearing, trial and disposition of certain offenses.

13 (d) Veterans' treatment calendar. The chief judge of the district court shall create a
14 veterans' treatment calendar in the district court and shall assign personnel to the extent warranted
15 to exclusively hear and decide all criminal actions involving offenses committed by defendants
16 accepted into the program, and the calendar shall be referred to as the "veterans' treatment court".

17 (e) Use of section. Under no circumstances shall the defendant(s) be permitted to use this
18 section as a basis for a dismissal of an action, as this section is enacted for the benefit and
19 convenience of the district court.

20 SECTION 3. Sections 36-4-2 and 36-4-16.4 of the General Laws in Chapter 36-4 entitled
21 "Merit System" are hereby amended to read as follows:

22 **36-4-2. Positions in unclassified service.** -- (a) The classified service shall comprise all
23 positions in the state service now existing or hereinafter established, except the following specific
24 positions which with other positions heretofore or hereinafter specifically exempted by legislative
25 act shall constitute the unclassified service:

26 (1) Officers and legislators elected by popular vote and persons appointed to fill
27 vacancies in elective offices.

28 (2) Employees of both houses of the general assembly.

29 (3) Officers, secretaries, and employees of the office of the governor, office of the
30 lieutenant governor, department of state, department of the attorney general, and the treasury
31 department.

32 (4) Members of boards and commissions appointed by the governor, members of the
33 state board of elections and the appointees of the board, members of the commission for human
34 rights and the employees of the commission, and directors of departments.

1 (5) The following specific offices:

2 (i) In the department of administration: director, chief information officer; director of
3 office of management and budget, ~~and~~ director of performance management, deputy director,
4 chief of staff, public information officer and legislative/policy director; and within the health
5 benefits exchange: director, deputy director, administrative assistant, senior policy analyst, and
6 chief strategic planning monitoring and evaluation;

7 (ii) In the department of business regulation: director;

8 (iii) In the department of elementary and secondary education: commissioner of
9 elementary and secondary education;

10 (iv) In the department of higher education: commissioner of higher education;

11 (v) In the department of health: director, executive director, and deputy director;

12 (vi) In the department of labor and training: director, administrative assistant,
13 administrator of the labor board and legal counsel to the labor board, executive director and
14 communications director;

15 (vii) In the department of environmental management: director;

16 (viii) In the department of transportation: director, chief operating officer,
17 administrator/division of project management, chief of staff, communications director, legislative
18 director and policy director;

19 (ix) In the department of human services: director and director of veterans' affairs;

20 (x) In the state properties committee: secretary;

21 (xi) In the workers' compensation court: judges, administrator, deputy administrator,
22 clerk, assistant clerk, clerk secretary;

23 (xii) In the division of elderly affairs: director;

24 (xiii) In the department of behavioral healthcare, developmental disabilities and
25 hospitals: director;

26 (xiv) In the department of corrections: director, assistant director
27 (institutions/operations), assistant director (rehabilitative services), assistant director
28 (administration), and wardens;

29 (xv) In the department of children, youth and families: director, one assistant director,
30 one associate director, ~~and~~ one executive director, and a chief of staff;

31 (xvi) In the public utilities commission: public utilities administrator;

32 (xvii) In the water resources board: general manager;

33 (xviii) In the human resources investment council: executive director.

34 (xix) In the office of health and human services: secretary of health and human services.

1 (6) Chief of the hoisting engineers, licensing division, and his or her employees;
2 executive director of the veterans memorial building and his or her clerical employees.

3 (7) One confidential stenographic secretary for each director of a department and each
4 board and commission appointed by the governor.

5 (8) Special counsel, special prosecutors, regular and special assistants appointed by the
6 attorney general, the public defender and employees of his or her office, and members of the
7 Rhode Island bar occupying a position in the state service as legal counsel to any appointing
8 authority.

9 (9) The academic and/or commercial teaching staffs of all state institution schools, with
10 the exception of those institutions under the jurisdiction of the board of regents for elementary
11 and secondary education and the board of governors for higher education.

12 (10) Members of the military or naval forces, when entering or while engaged in the
13 military or naval service.

14 (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the
15 supreme, superior, family, and district courts, the traffic tribunal, security officers of the traffic
16 tribunal, jurors and any persons appointed by any court.

17 (12) Election officials and employees.

18 (13) Deputy sheriffs and other employees of the sheriffs division within the department
19 of public safety.

20 (14) Patient or inmate help in state charitable, penal, and correctional institutions and
21 religious instructors of these institutions and student nurses in training, residents in psychiatry in
22 training, and clinical clerks in temporary training at the institute of mental health within the state
23 of Rhode Island medical center.

24 (15) (i) Persons employed to make or conduct a temporary and special inquiry,
25 investigation, project or examination on behalf of the legislature or a committee therefor, or on
26 behalf of any other agency of the state if the inclusion of these persons in the unclassified service
27 is approved by the personnel administrator. The personnel administrator shall notify the house
28 fiscal advisor and the senate fiscal advisor whenever he or she approves the inclusion of a person
29 in the unclassified service.

30 (ii) The duration of the appointment of a person, other than the persons enumerated in
31 this section, shall not exceed ninety (90) days or until presented to the department of
32 administration. The department of administration may extend the appointment another ninety (90)
33 days. In no event shall the appointment extend beyond one hundred eighty (180) days.

34 (16) Members of the division of state police within the department of public safety.

- 1 (17) Executive secretary of the Blackstone Valley district commission.
- 2 (18) Artist and curator of state owned art objects.
- 3 (19) Mental health advocate.
- 4 (20) Child advocate.
- 5 (21) The position of aquaculture coordinator and marine infrastructure specialist within
- 6 the coastal resources management council.
- 7 (22) Employees of the office of the health insurance commissioner.
- 8 (23) In the department of revenue: the director, secretary, attorney.
- 9 (24) In the department of public safety: the director.

10 (b) Provided however that, if any position added to the unclassified service by legislative

11 act after January 1, 2015, is occupied by a classified employee on June 30, 2015, such position

12 shall remain in the classified service until such position becomes vacant.

13 **36-4-16.4. Salaries of directors.** -- (a) In the month of March of each year, the

14 department of administration shall conduct a public hearing to determine salaries to be paid to

15 directors of all state executive departments for the following year, at which hearing all persons

16 shall have the opportunity to provide testimony, orally and in writing. In determining these

17 salaries, the department of administration will take into consideration the duties and

18 responsibilities of the aforementioned officers, as well as such related factors as salaries paid

19 executive positions in other states and levels of government, and in comparable positions

20 anywhere which require similar skills, experience, or training. Consideration shall also be given

21 to the amounts of salary adjustments made for other state employees during the period that pay

22 for directors was set last.

23 (b) Each salary determined by the department of administration will be in a flat amount,

24 exclusive of such other monetary provisions as longevity, educational incentive awards, or other

25 fringe additives accorded other state employees under provisions of law, and for which directors

26 are eligible and entitled.

27 (c) In no event will the department of administration lower the salaries of existing

28 directors during their term of office.

29 (d) Upon determination by the department of administration, the proposed salaries of

30 directors will be referred to the general assembly by the last day in April of that year to go into

31 effect thirty (30) days hence, unless rejected by formal action of the house and the senate acting

32 concurrently within that time.

33 (e) Notwithstanding the provisions of this section, for 2015 only, the time period for the

34 Department of Administration to conduct the public hearing shall be extended to July and the

1 proposed salaries shall be referred to the general assembly by August 30. The salaries may take
2 effect before next year, but all other provisions of this section shall apply.

3 SECTION 4. Section 42-13-2 of the General Laws in Chapter 42-13 entitled "Department
4 of Transportation" is hereby amended to read as follows:

5 **42-13-2. Organization and functions of the department.** -- ~~(a) The department shall be~~
6 ~~organized into such divisions as are described in this section and such other divisions,~~
7 ~~subdivisions, and agencies as the director shall find are necessary to carry out the responsibilities~~
8 ~~of the department.~~

9 ~~(1) Division of administration.— This division shall be headed by an assistant director for~~
10 ~~administration. The division shall provide assistance to the director in managing and controlling~~
11 ~~the work of the department, shall collect bridge tolls and administer any financial support made~~
12 ~~available to support railroad passenger or freight service. The division of administration shall~~
13 ~~include:~~

14 ~~(i) A business management office which shall provide central personnel, financial~~
15 ~~programming, payroll, and other management services to all divisions and agencies of the~~
16 ~~department.~~

17 ~~(ii) A legal counsel who shall prepare or review any legislation pertaining to the~~
18 ~~department, assist in preparing contracts, handle claims against the department, and provide other~~
19 ~~legal services as required.~~

20 ~~(iii) A public information office which shall inform the public of the programs and~~
21 ~~projects of the department, answer inquiries by the public, prepare and release progress reports~~
22 ~~and other publications, and provide photographic services.~~

23 ~~(iv) An audits office which shall continuously audit all of the activities of the department~~
24 ~~and insure compliance with state and federal laws and administrative regulations.~~

25 ~~(v) A property management office which shall acquire all real property for the~~
26 ~~department, make appraisals of property, manage real property under the department's~~
27 ~~jurisdiction, and operate a family and business relocation program. The property management~~
28 ~~office shall manage those state piers and related facilities which are used for port or waterways~~
29 ~~transportation purposes.~~

30 ~~(2) Planning division.— This division shall be headed by a chief of transportation~~
31 ~~planning. The division shall assist the division of planning in the department of administration to~~
32 ~~prepare transportation elements of the long range state guide plan. The division will prepare~~
33 ~~functional and area plans, project plans, improvement programs, and implementation programs~~
34 ~~which are consistent with the long range state guide plan. The division will undertake corridor,~~

1 ~~route location, feasibility, facility needs, and other studies as required to support the work of the~~
2 ~~department. The division shall collect and analyze statistical and other data on all types of~~
3 ~~transportation needs and facilities.~~

4 ~~(3) Public works division.—This division shall be headed by a chief engineer. The~~
5 ~~division shall be responsible for the design and engineering of roads, bridges, transit facilities,~~
6 ~~airport facilities, port and waterways facilities, and all other transportation facilities. The division~~
7 ~~shall prepare contracts and specifications for all construction projects undertaken by the~~
8 ~~department. The division shall supervise the execution of all construction projects. The division~~
9 ~~shall perform traffic engineering functions, make surveys and soil studies, test materials, and~~
10 ~~perform other functions necessary to support the department's design and construction activities.~~

11 ~~(4) Maintenance division.—This division shall be headed by a maintenance engineer.~~
12 ~~The division shall maintain all roads, bridges, airports, piers, port terminal facilities, and other~~
13 ~~transportation facilities and landscaped areas which are under the jurisdiction of the department~~
14 ~~of transportation. The division shall install and maintain traffic control signs and signals.~~

15 ~~(5) Airports division.—This division shall be headed by an assistant director for airports.~~
16 ~~The division shall operate all state-owned airports, heliports, and other facilities for air~~
17 ~~transportation, including passenger and cargo terminals, parking facilities and other supporting~~
18 ~~facilities, emergency services, and security services. The division shall regulate aeronautical~~
19 ~~matters and shall supervise the location, maintenance, operation, and use of privately owned civil~~
20 ~~airports, landing areas, navigation facilities, air schools, and flying clubs.~~

21 ~~(b) The director may assign such other responsibilities to the divisions and agencies as~~
22 ~~he or she shall find appropriate and may reassign functions to divisions and agencies other than as~~
23 ~~set out in this section if he or she shall find this reassignment necessary to the proper and efficient~~
24 ~~functioning of the department or of the state's transportation system. (a) The department shall be~~
25 ~~organized in accordance with a project management-based program and shall utilize an asset~~
26 ~~management system.~~

27 (1) A project management-based program, manages the delivery of the department's
28 portfolio of transportation improvement projects from project conception to the project
29 completion. Project management activities include:

- 30 (i) Managing and reporting on the delivery status of portfolio projects;
- 31 (ii) Developing overall workload and budget for the portfolio;
- 32 (iii) Developing and implementing the tools to estimate the resources necessary to deliver
33 the projects; and
- 34 (iv) Developing and implementing processes and tools to improve the management of the

1 projects.

2 (2) Asset management is the process used for managing transportation infrastructure by
3 improving decision making for resource allocation. Asset management activities include a
4 systemic process based on economic, engineering and business principles which includes the
5 following functions:

6 (i) Completing a comprehensive inventory of system assets;

7 (ii) Monitoring system performance; and

8 (iii) Performing analysis utilizing accurate data for managing various assets within the
9 transportation network.

10 (b) The director of transportation shall appoint a chief operating officer to oversee the
11 day-to-day operations of the department.

12 (c) The department shall be organized into such divisions as are described in this section
13 and such other divisions, subdivision, and agencies as the director shall find are necessary to
14 carry out the responsibilities of the department, including: division of finance; division of
15 planning; division of project management; division of operations and maintenance; division of
16 civil rights; office of safety; office of external affairs; office of legal; office of personal; office of
17 information services

18 (d) The director may assign such other responsibilities as he or she shall find appropriate
19 and may reassign functions other than as set out in this section if he or she finds the reassignment
20 necessary to the proper and efficient functioning of the department or of the state's transportation
21 system.

22 (e) The department shall submit a report annually no later than March 31 to the speaker
23 of the house, the president of the senate, and the house and senate fiscal advisors concerning the
24 status of the ten (10) year transportation plan.

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

1 **ARTICLE 16**

2 RELATING TO BAYS, RIVERS AND WATERSHEDS

3 SECTION 1. Chapter 46-31 of the General Laws entitled “The Rhode Island Bays,
4 Rivers and Watersheds Coordination Team” is hereby repealed in its entirety:

5 ~~46-31.1-10. Legislative findings.— The general assembly hereby finds and declares as~~
6 ~~follows:~~

7 ~~(1) The bays, rivers, and associated watersheds of Rhode Island are unique and~~
8 ~~unparalleled natural resources that provide significant cultural, ecological, and economic benefit~~
9 ~~to the state.~~

10 ~~(2) Pursuant to the provisions of R.I. Const., art. 1, § 17, it is the duty of the general~~
11 ~~assembly to provide for the conservation of the air, land, water, plant, animal, mineral, and other~~
12 ~~natural resources of the state; and to adopt all means necessary and proper by law to protect the~~
13 ~~natural environment of the people of the state by providing adequate resource planning for the~~
14 ~~control and regulation of the use of the natural resources of the state; and for the preservation,~~
15 ~~regeneration, and restoration of the natural environment of the state.~~

16 ~~(3) It is in the best interest of the state and its citizens to preserve, protect, and restore our~~
17 ~~bays, rivers, and associated watersheds.~~

18 ~~(4) Sixty percent (60%) of the watershed of Narragansett Bay is within Massachusetts,~~
19 ~~almost all of the watershed of Mount Hope Bay is within Massachusetts, and five percent (5%) of~~
20 ~~the watershed of Little Narragansett Bay is within Connecticut; further, a cluster of water-related~~
21 ~~economic interests spans the three (3) states.~~

22 ~~(5) There are a number of separate agencies of the state defined by statute, granted~~
23 ~~statutory authority, and appropriated state resources for the performance of distinct functions, the~~
24 ~~development of various programs, and the execution of diverse regulatory powers that affect the~~
25 ~~bays, rivers, and watersheds of Rhode Island including management, preservation, restoration,~~
26 ~~and monitoring of the natural resources, and promotion of sustainable economic development of~~
27 ~~the water cluster. It is important to retain these various agencies as separate and distinct entities.~~
28 ~~Each agency has essential and distinct responsibilities. However, each of these agencies has~~
29 ~~limited responsibilities and jurisdictions. No one agency has the statutory authority to adequately~~
30 ~~address the full range of issues that pertain to the bays, rivers, and watersheds.~~

1 ~~(6) The formation of an interagency group for the coordination of the functions,~~
2 ~~programs, and regulations that affect the bays, rivers, and watersheds is the most effective way to~~
3 ~~transcend the limited responsibilities and jurisdictions of each agency, address complex issues~~
4 ~~using an ecosystem based approach, and provide for continuity over time.~~

5 ~~(7) There is a need for coordination of the development and implementation of policies~~
6 ~~and plans for the management, preservation, restoration, and monitoring of the bays, rivers, and~~
7 ~~watersheds; and the promotion of sustainable economic development of businesses that rely~~
8 ~~directly or indirectly on the bays, rivers, and watersheds.~~

9 ~~(8) There is a need for the development of a systems level plan that synthesizes~~
10 ~~individual plans and coordinates separate authorities. The systems level plan must establish~~
11 ~~overall goals and priorities, set forth a strategy for obtaining goals which delineates specific~~
12 ~~responsibilities among agencies, identify funding sources and a timetable for obtaining goals,~~
13 ~~provide an estimate of the total projected cost of implementation, and oversee a monitoring~~
14 ~~strategy to evaluate progress in implementing the plan and to provide the necessary information~~
15 ~~to adapt the plan in response to changing conditions.~~

16 ~~(9) The implementation of a systems level plan needs to include the preparation of~~
17 ~~coordinated annual work plans, annual work plan budgets, and multi year funding plans in order~~
18 ~~to identify areas of duplicative or insufficient effort or funding.~~

19 ~~(10) The development and implementation of a systems level plan must be coordinated~~
20 ~~with local and federal efforts and efforts in Massachusetts and Connecticut and in some cases~~
21 ~~with other states in the region that have connections with the ecosystem and/or the water cluster.~~
22 ~~It must be accomplished with input from scientists, policy makers, non governmental~~
23 ~~organizations, and the general public.~~

24 ~~(11) There is a need for a structure and process that enhances the efficiency of the goal~~
25 ~~setting and oversight roles of the legislature including fiscal and performance accountability.~~

26 ~~**46-31-2. Definitions.** As used in this chapter, unless the context clearly indicates~~
27 ~~otherwise:~~

28 ~~(1) "Bays" means the estuaries including Narragansett Bay, Mount Hope Bay, Greenwich~~
29 ~~Bay, Little Narragansett Bay, the coastal ponds, the Sakonnet River, and Rhode Island territorial~~
30 ~~waters that extend seaward three geographical miles from the shoreline including the area around~~
31 ~~Block Island.~~

32 ~~(2) "Chair" means the chairperson of the coordination team.~~

33 ~~(3) "Coordination" means to harmonize in a common action or effort and/or to function in~~
34 ~~a complementary manner.~~

1 ~~(4) "Coordination team" or "team" means the Rhode Island Bays, Rivers, and Watersheds~~
2 ~~Coordination Team that is the group of senior executive officials created in § 46-31-3.~~

3 ~~(5) "Ecosystem-based plan" means a plan that addresses the complex interrelationships~~
4 ~~among the ocean, land, air, and all living creatures including humans, and considers the~~
5 ~~interactions among multiple activities that affect entire systems.~~

6 ~~(6) "River" means a flowing body of water or estuary or a section, portion, or tributary~~
7 ~~thereof, including, but not limited to, streams, creeks, brooks, ponds, and small lakes.~~

8 ~~(7) "Systems level plan" means an interagency ecosystem-based plan for the bays, rivers,~~
9 ~~and watersheds that:~~

10 ~~(i) Establishes overall goals and priorities for the management, preservation, and~~
11 ~~restoration of bays, rivers, and watersheds and the promotion of sustainable economic~~
12 ~~development of the water cluster;~~

13 ~~(ii) Sets forth a strategy for attaining goals which delineates specific responsibilities~~
14 ~~among agencies;~~

15 ~~(iii) Identifies funding sources and a timetable for attaining goals;~~

16 ~~(iv) Provides an estimate of the total projected cost of implementing the plan including~~
17 ~~capital improvements; and~~

18 ~~(v) Guides a strategy for a monitoring program that evaluates progress in implementing~~
19 ~~the plan and to provide the necessary information to adapt the plan in response to changing~~
20 ~~conditions.~~

21 ~~(8) "Water cluster" means an economically interconnected grouping of businesses,~~
22 ~~institutions, and people relying directly or indirectly on the bays, rivers, and watersheds~~
23 ~~including, but not limited to, the following sectors:~~

24 ~~(i) Recreation, tourism, and public events;~~

25 ~~(ii) Fisheries and aquaculture;~~

26 ~~(iii) Boat and ship building;~~

27 ~~(iv) Boating related businesses;~~

28 ~~(v) Transportation;~~

29 ~~(vi) Military;~~

30 ~~(vii) Research; and~~

31 ~~(viii) Technology development and education.~~

32 ~~(9) "Watershed" means a land area which because of its topography, soil type, and~~
33 ~~drainage patterns acts as a collector of raw waters which regorge or replenish rivers and existing~~
34 ~~or planned public water supplies.~~

1 ~~**46-31-3. Coordination team and chair position created.**~~ (a) There is hereby created
2 and established within the office of the governor the "Rhode Island bays, rivers, and watersheds
3 coordination team". The coordination team shall include the senior executive official of the
4 following agencies of the state: the coastal resources management council; the Rhode Island
5 department of environmental management; the department of administration; the Rhode Island
6 water resources board; the Rhode Island rivers council; the Rhode Island economic development
7 corporation; and the Narragansett Bay commission.

8 ~~(b) A member of the coordination team may designate in writing a designee of that~~
9 ~~member's agency to act in the place of that member.~~

10 ~~(c) The members of the coordination team shall serve on said team without additional~~
11 ~~compensation.~~

12 ~~(d) The governor shall appoint a chair of the coordination team, with the advice and~~
13 ~~consent of the senate, within four (4) months of the passage of this act. The chair shall serve at~~
14 ~~the pleasure of the governor. Provided, in making the appointment of said chair, the governor~~
15 ~~shall select an individual from outside of those agencies listed in subsection (a) herein. The~~
16 ~~governor shall further provide the coordination team with suitable quarters and resources so as to~~
17 ~~enable it to perform its functions.~~

18 ~~(e) The chair of the coordination team may request the involvement of other state~~
19 ~~agencies as may be appropriate to carry out the duties of the team as set forth in this chapter.~~

20 ~~(f) The coordination team shall meet initially at the call of the governor until the chair has~~
21 ~~been appointed and qualified. The team shall remain in existence until such time as it is~~
22 ~~terminated by action of the general assembly.~~

23 ~~**46-31-4. Purpose and duties of the coordination team.**~~ (a) The purpose and duties of
24 ~~the coordination team shall include:~~

25 ~~(1) Preparing and adopting by rule a systems level plan as provided for pursuant to the~~
26 ~~provisions of § 46-31-5;~~

27 ~~(2) Coordinating the projects, programs, and activities carried out by the members of the~~
28 ~~team and its committees that pertain to the implementation of such plan pursuant to the provisions~~
29 ~~of § 46-31-6; and~~

30 ~~(3) Coordinating with other state agencies, local governments, federal agencies, other~~
31 ~~states, and non government entities, as necessary, to accomplish the purpose of preparing and~~
32 ~~implementing a systems level plan.~~

33 ~~(b) The coordination team shall be responsible for recommending to the governor and the~~
34 ~~general assembly actions necessary to effectuate the coordination of projects, programs, and~~

1 ~~activities described in this chapter.~~

2 ~~(c) The coordination team shall provide information to the general assembly on such~~
3 ~~projects, programs, and activities to assist the general assembly in the general assembly's exercise~~
4 ~~of oversight, in order to maximize the efficient use of state and available resources.~~

5 ~~(d) The coordination team shall meet on a quarterly basis or more often if deemed~~
6 ~~necessary by its members. In order to constitute a quorum for the transaction of any business, at~~
7 ~~least two thirds of the membership of the team must be present.~~

8 ~~(e) Within the first six (6) months after the passage of this act, the coordination team shall~~
9 ~~meet monthly at the call of the governor, and shall be chaired by the governor or a designee of the~~
10 ~~governor until such time when the chair of the team is appointed and qualified.~~

11 ~~(f) The team shall convene a joint meeting with the scientific advisory committee and the~~
12 ~~public advisory committee established pursuant to the provisions of this chapter, at least once per~~
13 ~~year.~~

14 ~~**46-31-5. Preparation of a systems level plan.**~~ (a) ~~The coordination team shall be~~
15 ~~responsible for the preparation of a systems level plan and may recommend adoption of all or~~
16 ~~portions of said plan by the state planning council as elements of the state guide plan. Nothing in~~
17 ~~this chapter shall be interpreted to contravene the statutory authority of the state planning council~~
18 ~~to adopt a state guide plan and elements thereof.~~

19 ~~(b) The systems level plan shall establish overall goals and priorities for the management,~~
20 ~~preservation, and restoration of the state's bays, rivers, and watersheds, and the promotion of~~
21 ~~sustainable economic development of the water cluster.~~

22 ~~(c) The systems level plan shall include a strategy for attaining goals, shall delineate~~
23 ~~specific responsibilities among agencies, and shall identify funding sources and a timetable for~~
24 ~~attaining goals.~~

25 ~~(d) The systems level plan shall include an estimate of the total projected cost of~~
26 ~~implementing the plan including capital improvements.~~

27 ~~(e) The systems level plan shall include, but not be limited to, planning for:~~

28 ~~(1) Reduction of pollution from point source discharges, including, but not limited to,~~
29 ~~municipal and industrial discharges, and storm water and combined sewer overflows;~~

30 ~~(2) Reduction of pollution from non point sources, including, but not limited to, on site~~
31 ~~individual sewage disposal systems, residential and agricultural fertilizing practices, animal~~
32 ~~wastes, recreational boating, and land use practices;~~

33 ~~(3) Protection and restoration of shellfish and finfish;~~

34 ~~(4) Protection and restoration of aquatic and terrestrial habitat;~~

- 1 ~~(5) Conservation of open space and promotion of smart growth practices;~~
2 ~~(6) Management of aquatic nuisance species;~~
3 ~~(7) Management of dredging and dredged material disposal;~~
4 ~~(8) Identification of research needs and priorities;~~
5 ~~(9) Promotion of education and outreach;~~
6 ~~(10) Promotion of equitable public access; and~~
7 ~~(11) Promotion of sustainable economic development of the water cluster.~~

8 ~~(f) The systems level plan shall include the development of strategies for both~~
9 ~~environmental and economic monitoring programs. The monitoring programs shall evaluate~~
10 ~~progress in implementing the plan and provide the necessary information to adapt the plan in~~
11 ~~response to changing conditions. The implementation of said programs shall be accomplished by~~
12 ~~the economic monitoring collaborative created by § 46-31-9(d) and the environmental monitoring~~
13 ~~collaborative created by § 46-31-9(e).~~

14 ~~(g) A scope of work for the systems level plan shall be completed within six (6) months~~
15 ~~of the passage of this act. A copy of said scope of work shall be submitted for review to the~~
16 ~~governor, the speaker of the house of representatives, and the president of the senate.~~

17 ~~(h) A draft of the systems level plan shall be completed on or before January 31, 2006. A~~
18 ~~copy of such draft shall be submitted for review to the governor, the speaker of the house of~~
19 ~~representatives, and the president of the senate.~~

20 ~~(i) The systems level plan shall be completed on or before June 30, 2006. A copy of such~~
21 ~~plan shall be submitted for review to the governor, the speaker of the house of representatives,~~
22 ~~and the president of the senate.~~

23 ~~**46-31-6. Implementation of the systems level plan.** (a) The team shall be responsible~~
24 ~~for coordinating the projects, programs, and activities necessary to implement the systems level~~
25 ~~plan.~~

26 ~~(b) In order to facilitate the coordination of the implementation of the systems level plan,~~
27 ~~the team shall prepare an annual work plan. The annual work plan shall prescribe the necessary~~
28 ~~projects, programs, and activities each member of the team shall perform for the following fiscal~~
29 ~~year to implement the systems level plan. It shall include, but not be limited to, the systems level~~
30 ~~plan priorities, individual work plan elements, and significant program products including~~
31 ~~proposed regulations, grant solicitations, schedules for production of environmental documents,~~
32 ~~and project selection processes. The preparation of the annual work plan shall include an~~
33 ~~evaluation of any needed revisions to the systems level plan including changes to the timetable~~
34 ~~for attaining goals or adaptations in response to the results of the monitoring programs.~~

1 ~~The first annual work plan shall be prepared for work to be completed during fiscal year~~
2 ~~2007 and each year thereafter.~~

3 ~~(c) In preparing an annual work plan the team shall coordinate the annual work plan~~
4 ~~activities with other relevant activities including, but not limited to, those prescribed by other~~
5 ~~state, local, federal, and non-governmental organization programs.~~

6 ~~(d) The team shall prepare a proposed annual work plan budget for inclusion in the~~
7 ~~governor's annual budget as submitted to the general assembly and for submittal to the speaker of~~
8 ~~the house of representatives, and the president of the senate which shall identify the total funds~~
9 ~~necessary to implement the annual work plan, including any proposed capital improvements. It~~
10 ~~shall also include any recommendations for the allocation of appropriated funds among agencies~~
11 ~~to achieve the purpose of this chapter. The first annual work plan budget shall be prepared for~~
12 ~~inclusion in the governor's annual budget for 2007, as submitted to the general assembly, and~~
13 ~~each year thereafter.~~

14 ~~(e) The team shall hold a minimum of one public hearing each year to solicit public~~
15 ~~comment on the annual work plan and annual work plan budget.~~

16 ~~(f) The team shall coordinate with federal agencies to develop proposed federal~~
17 ~~agreements to support the implementation of the systems level plan.~~

18 ~~(g) The team, in consultation with the scientific advisory committee, shall be responsible~~
19 ~~for coordinating the work of any entity that receives grants or other funding from the state of~~
20 ~~Rhode Island for research related to bay, river, and watershed management. The team shall seek~~
21 ~~to prioritize and direct areas of research in order to meet the goals and policies established by the~~
22 ~~systems level plan.~~

23 ~~(h) The team may facilitate the resolution of programmatic conflicts that may arise during~~
24 ~~the implementation of the systems level plan between or among members of the team.~~

25 ~~(i) The team shall develop a regulatory coordination and streamlining process for the~~
26 ~~issuance of permits and approvals required under local, state, and federal law as necessary to~~
27 ~~implement the systems level plan that reduces or eliminates duplicative permitting processes.~~

28 ~~(j) Within ninety (90) days after the end of each fiscal year, the team shall submit a~~
29 ~~written progress report that describes and evaluates the successes and shortcomings of the~~
30 ~~implementation of the annual work plan from the previous fiscal year to the governor, the speaker~~
31 ~~of the house of representatives, and the president of the senate. Where prescribed actions have not~~
32 ~~been accomplished in accordance with the annual work plan, the responsible members of the~~
33 ~~team shall include in the report written explanations for the shortfalls, together with their~~
34 ~~proposed remedies. The report shall also include an evaluation of the progress of the coordinative~~

1 ~~efforts and shall include any recommendations regarding modifications to the composition of the~~
2 ~~team, including, but not limited to, the proposed addition of any new members to the team.~~

3 ~~(k) Within six (6) months of the completion of the systems level plan, the team shall~~
4 ~~prepare a report and convene a public forum in order to disseminate information about the current~~
5 ~~condition of the environmental health of Rhode Island's bays, rivers, and watersheds; and the~~
6 ~~economic vitality of the water cluster using information collected by the economic and~~
7 ~~environmental monitoring collaboratives.~~

8 ~~(l) Within four (4) years after the completion of the systems level plan and every four (4)~~
9 ~~years thereafter, the team shall prepare a report and convene a public forum in order to~~
10 ~~disseminate information about the current condition of the environmental health of Rhode Island's~~
11 ~~bays, rivers, and watersheds; and the economic vitality of the water cluster using information~~
12 ~~collected by the economic and environmental monitoring collaboratives. The report shall include~~
13 ~~an evaluation of the progress made towards attaining the systems level plan's goals, and an~~
14 ~~evaluation of any updates necessary for the strategies for the economic and environmental~~
15 ~~monitoring programs.~~

16 ~~**46-31-7. Duties of chairperson.**~~ (a) ~~In addition to calling the meetings of the team, the~~
17 ~~chair shall facilitate the coordination necessary for the team to develop the systems level plan,~~
18 ~~and to prepare annual work plans, annual work plan budgets, reports, and any other documents~~
19 ~~requested under the provisions of this chapter.~~

20 ~~(b) The chair shall be responsible for presenting the systems level plan, annual work~~
21 ~~plans, annual work plan budgets, reports, and other documents to the governor, the speaker of the~~
22 ~~house of representatives, and the president of the senate.~~

23 ~~(c) The chair shall be responsible for the administration of all functions of the team~~
24 ~~including hiring support staff with appropriations, terminating staff when necessary, preparing~~
25 ~~budgets, contracting, and delegating administrative functions to support staff.~~

26 ~~**46-31-8. Powers of the coordination team.**~~ (a) ~~In order to accomplish the purposes of~~
27 ~~this chapter and to effectuate the coordination required by this chapter, the coordination team is~~
28 ~~authorized and directed to exercise the following powers:~~

29 ~~(1) Adopt procedures for the conduct of business as needed to carry out the provisions of~~
30 ~~this chapter;~~

31 ~~(2) Request reports from local, state, and federal entities or agencies in order to perform~~
32 ~~their duties as provided for in this chapter;~~

33 ~~(3) Make application for grants, services or other aids as may be available from public or~~
34 ~~private sources to finance or assist in effectuating any purposes or duties as set forth in this~~

1 ~~chapter, and receive and accept the same on such terms and conditions as may be required by~~
2 ~~general laws;~~

3 ~~(4) Employ the services of other public, nonprofit or private entities;~~

4 ~~(5) Enter into agreements and into contracts consistent with existing contracting practices~~
5 ~~of the department of administration;~~

6 ~~(6) Request assistance from state employees provided that such assistance does not~~
7 ~~adversely impact the operation of affected agencies; and~~

8 ~~(7) Such other powers as may be necessary or convenient to the performance of these~~
9 ~~functions.~~

10 ~~(b) The coordination team may:~~

11 ~~(1) Collect, compile, analyze, interpret, summarize, and distribute any information~~
12 ~~relative to Rhode Island's bays, rivers, and watersheds and the duties of the team, subject to any~~
13 ~~privileges or legal requirements of privacy;~~

14 ~~(2) Within available funding, employ any technical experts, other agents, and employees,~~
15 ~~permanent and temporary, that it may require to carry out its functions pursuant to this chapter,~~
16 ~~and determine their qualifications, duties, and compensation.~~

17 ~~(c) The team may have additional powers granted to it from time to time by the~~
18 ~~legislature as deemed necessary to perform its duties.~~

19 ~~(d) Nothing in this statute shall be construed to grant the coordination team the authority~~
20 ~~to impair, derogate or supersede constitutional, statutory, regulatory or adjudicatory authority or~~
21 ~~public trust responsibilities of any local, state or federal entity.~~

22 ~~**46-31-9. Committees.** (a) The coordination team may appoint such subcommittees,~~
23 ~~task forces or advisory committees to make recommendations to the team as it deems necessary~~
24 ~~to carry out the provisions of this chapter. The coordination team shall annually review the work~~
25 ~~done by, and the need for, any such subcommittees, task forces, and/or advisory committees, and~~
26 ~~shall terminate the existence of such entities that are deemed to have fulfilled their purpose and/or~~
27 ~~are no longer deemed necessary by the team.~~

28 ~~(b) A "scientific advisory committee" shall be established to advise the coordination team~~
29 ~~on research priorities, technical matters, and best management practices. The members of the~~
30 ~~scientific advisory committee shall be appointed by the governor to serve for terms of two (2)~~
31 ~~years. The members of said committee shall consist of members of the academic community as~~
32 ~~well as non-government organizations. The members of the scientific advisory committee shall~~
33 ~~receive no additional compensation for their services on the committee. The scientific advisory~~
34 ~~committee shall assist the coordination team in:~~

1 ~~(1) Ensuring that peer review is employed in the development of an environmental~~
2 ~~monitoring strategy;~~

3 ~~(2) Providing the team with unbiased reviews of current validated scientific knowledge~~
4 ~~relevant to their work; and~~

5 ~~(3) Assisting with the review of existing or future plans.~~

6 ~~The scientific advisory committee shall elect annually from among their members a chair~~
7 ~~and a vice chair.~~

8 ~~(e) A "public advisory committee" shall be established to advise the coordination team on~~
9 ~~the development and implementation of the systems level plan, and the preparation of annual~~
10 ~~work plans and annual work plan budgets. The members of the public advisory committee shall~~
11 ~~be appointed by the governor for terms of two (2) years each. The members of said public~~
12 ~~advisory committee shall include, but not be limited to, representatives from the following~~
13 ~~groups: commercial fishers, recreational fishers, environmental advocacy organizations, and~~
14 ~~economic advocacy organizations. The members of the public advisory committee shall receive~~
15 ~~no additional compensation for their services to the committee. The public advisory committee~~
16 ~~shall elect annually from among their members a chair and a vice chair.~~

17 ~~(d) An "economic monitoring collaborative" shall be established for the purpose of~~
18 ~~developing and implementing a strategy for an economic monitoring program as specified by this~~
19 ~~section. The members of the economic monitoring collaborative shall be appointed by the~~
20 ~~governor to serve for two (2) years and shall include, but not be limited to, a representative from~~
21 ~~the Rhode Island economic policy council and a representative from the Department of~~
22 ~~Environment and Natural Resource Economics at the University of Rhode Island. From among~~
23 ~~the members, the governor shall appoint a chair. Members of the economic monitoring~~
24 ~~collaborative shall serve without additional salary but may be paid expenses incurred in the~~
25 ~~performance of their duties. The strategy for the economic monitoring program shall include~~
26 ~~baselines, protocols, guidelines, and quantifiable indicators for assessing the economic health and~~
27 ~~performance of the water cluster. Economic indicators shall include, but not be limited to, the~~
28 ~~following aspects where or when appropriate and/or available:~~

29 ~~(1) Total gross state product originating in the water cluster;~~

30 ~~(2) Direct and indirect employment in the water cluster; and~~

31 ~~(3) Public expenditures for infrastructure to support the water cluster. The strategy for~~
32 ~~said economic monitoring program shall be developed by the economic monitoring collaborative~~
33 ~~and adopted by the coordination team within six (6) months of passage of this act; and shall be~~
34 ~~reviewed and updated every four (4) years, and included in the reports described in § 46-31-6(1)~~

1 ~~(e) An "environmental monitoring collaborative" shall be established for the purpose of~~
2 ~~developing and implementing a strategy for an environmental monitoring program as specified by~~
3 ~~this section or as otherwise provided for by statute. The environmental monitoring collaborative~~
4 ~~shall include, but not be limited to, one representative from each of the following: Coastal~~
5 ~~Institute at the University of Rhode Island (URI) Bay Campus (Chair); coastal resources~~
6 ~~management council; department of environmental management; department of health; URI~~
7 ~~Watershed Watch; URI Graduate School of Oceanography; Narragansett Bay commission;~~
8 ~~statewide planning program (RIGIS) division; and URI Environmental Data Center. Members of~~
9 ~~the environmental monitoring collaborative shall serve without additional salary but may be paid~~
10 ~~expenses incurred in the performance of their duties. The strategy for the environmental~~
11 ~~monitoring program shall be developed in consultation with the scientific advisory committee and~~
12 ~~shall include baselines, protocols, guidelines, and quantifiable environmental indicators.~~
13 ~~Environmental indicators shall include, but not be limited to, the following aspects where~~
14 ~~appropriate for rivers and bays:~~

15 ~~(1) Land cover or uses within the shoreline buffers;~~

16 ~~(2) Water temperature, salinity, and pH;~~

17 ~~(3) Concentrations of nitrogen, phosphorous, dissolved oxygen, and bacteria;~~

18 ~~(4) Water flows and circulation;~~

19 ~~(5) Species assemblages and relative abundances of finfish, shellfish, and benthic~~
20 ~~macroinvertebrates; and~~

21 ~~(6) Presence of aquatic nuisance species. The strategy for said monitoring program shall~~
22 ~~be developed by the environmental monitoring collaborative and adopted by the coordination~~
23 ~~team within six (6) months of passage of this act; and shall be reviewed and updated every four~~
24 ~~(4) years, and included in the reports described in § 46-31-6(1).~~

25 ~~(f) The data collected as part of the economic and environmental monitoring programs~~
26 ~~shall be analyzed, synthesized, and made accessible to the governor, the general assembly, and~~
27 ~~the general public.~~

28 ~~(g) The committees and collaboratives established pursuant to this chapter shall remain in~~
29 ~~existence so long as the coordination team is in existence. All committees shall expire and~~
30 ~~dissolve upon the expiration and/or dissolution of the coordination team.~~

31 ~~**46-31-10. Compliance with plans by local municipalities.** The statewide planning~~
32 ~~program established pursuant to the provisions of chapter 11 of title 42 shall advise the~~
33 ~~coordination team on issues of planning in general and also on local comprehensive plans, and~~
34 ~~shall consider recommendations for revisions to the state guide plan from the coordination team~~

1 as necessary to achieve consistency with the systems level plan for Rhode Island's bays, rivers,
2 and watersheds. As provided for in chapter 22.2 of title 45, cities and towns shall amend their
3 comprehensive plans to conform with the state guide plan elements adopted or amended to
4 effectuate this chapter, but not later than within one year.

5 ~~**46-31-11. Plans, reports, budgets, and other documents.**~~ All plans, reports, budgets
6 or other documents required to be produced pursuant to this chapter shall be submitted to the
7 speaker of the house of representatives, president of the senate, the chairpersons of the house of
8 representatives and senate finance committees, and the chairpersons of the appropriate house of
9 representatives and senate oversight entities; further, all plans, reports, budgets or other
10 documents required to be produced pursuant to this chapter shall be considered by the house of
11 representatives and senate finance committees in their current and future budget processes.
12 Adherence to such plans, reporting requirements, and budgets and the timely achievement of
13 goals contained therein shall be considered by the finance committees and the oversight entities
14 of the house of representatives and senate, among other relevant factors, in determining
15 appropriations or other systemic changes.

16 ~~**46-31-12. Staff and budget.**~~ (a) The coordination team may employ staff and make
17 such expenditures as may be authorized by the general assembly from time to time. The
18 coordination team shall annually prepare an operating budget for inclusion in the governor's
19 annual budget as submitted to the general assembly and for submittal to the speaker of the house
20 of representatives and the president of the senate.

21 (b) The office of the governor is authorized and directed to establish a position in the
22 unclassified service for the chair of the coordination team, and to perform such administrative
23 support functions as may be required.

24 ~~**46-31-12.1. Bays, Rivers and Watersheds Fund.**~~ (a) There is hereby established a
25 restricted receipt account within the Department of Environmental Management to be called the
26 Bays, Rivers and Watersheds Fund;

27 (b) The fund shall consist of any funds which the state may from time to time
28 appropriate, as well as money received as gifts, grants, bequests, donations or other funds from
29 any public or private sources, as well as all fees collected pursuant to § 46-23-1(f)(2) for the
30 leasing of submerged lands for transatlantic cables, and all fees collected pursuant to chapter 46-
31 12.11 for the disposal of septage;

32 (c) All funds, monies, and fees collected pursuant to this section shall be deposited in the
33 Bays, Rivers and Watersheds Fund, and shall be disbursed by the Rhode Island Bays, Rivers, and
34 Watersheds Coordination Team consistent with the purposes and duties of the team as set forth in

1 ~~chapter 46-31. All expenditures from the fund shall be subject to appropriation by the general~~
2 ~~assembly.~~

3 ~~**46-31-13. Assistance by state officers, departments, boards and commissions.**— (a)~~

4 ~~All state agencies may render any services to the coordination team within their respective~~
5 ~~functions as may be requested by the team.~~

6 ~~(b) Upon request of the coordination team, any state agency is authorized and empowered~~
7 ~~to transfer to the team any officers and employees as it may deem necessary from time to time to~~
8 ~~assist the team in carrying out its functions and duties pursuant to this chapter.~~

9 ~~**46-31-14. Severability.**— If any provision of this chapter or the application thereof to any~~
10 ~~person or circumstances is held invalid, such invalidity shall not affect other provisions or~~
11 ~~applications of the chapter, which can be given effect without the invalid provision or application,~~
12 ~~and to this end the provisions of this chapter are declared to be severable.~~

13 SECTION 2. Title 46 of the General Laws entitled “WATERS AND NAVIGATION” is
14 hereby amended by adding thereto the following chapter:

15 CHAPTER 46-31.1

16 THE RHODE ISLAND BAYS, RIVERS AND WATERSHEDS FUND

17 ~~**46-31.1-10. Legislative findings.** — The general assembly hereby finds and declares as~~
18 ~~follows:~~

19 ~~(1) The bays, rivers, and associated watersheds of Rhode Island are unique and~~
20 ~~unparalleled natural resources that provide significant cultural, ecological, and economic benefit~~
21 ~~to the state.~~

22 ~~(2) Pursuant to the provisions of R.I. Const., art. 1, § 17, it is the duty of the general~~
23 ~~assembly to provide for the conservation of the air, land, water, plant, animal, mineral, and other~~
24 ~~natural resources of the state; and to adopt all means necessary and proper by law to protect the~~
25 ~~natural environment of the people of the state by providing adequate resource planning for the~~
26 ~~control and regulation of the use of the natural resources of the state; and for the preservation,~~
27 ~~regeneration, and restoration of the natural environment of the state.~~

28 ~~(3) It is in the best interest of the state and its citizens to preserve, protect, and restore our~~
29 ~~bays, rivers, and associated watersheds.~~

30 ~~(4) Sixty percent (60%) of the watershed of Narragansett Bay is within Massachusetts,~~
31 ~~almost all of the watershed of Mount Hope Bay is within Massachusetts, and five percent (5%) of~~
32 ~~the watershed of Little Narragansett Bay is within Connecticut; further, a cluster of water-related~~
33 ~~economic interests spans the three (3) states.~~

34 ~~(5) There is a need to foster effective management, preservation, restoration, and~~

1 monitoring of the bays, rivers, and watersheds; and the promotion of sustainable economic
2 development of businesses that rely directly or indirectly on the bays, rivers, and watersheds; and
3 the promotion of sustainable economic development of businesses that rely directly or indirectly
4 on the bays, rivers, and watersheds.

5 **46-31.1-2. Definitions.** – As used in this chapter, unless the context clearly indicates
6 otherwise:

7 (1) "Bays" means the estuaries including Narragansett Bay, Mount Hope Bay, Greenwich
8 Bay, Little Narragansett Bay, the coastal ponds, the Sakonnet River, and Rhode Island territorial
9 waters that extend seaward three geographical miles from the shoreline including the area around
10 Block Island.

11 (2) "Coordination" means to harmonize in a common action or effort and/or to function in
12 a complementary manner.

13 (3) "River" means a flowing body of water or estuary or a section, portion, or tributary
14 thereof, including, but not limited to, streams, creeks, brooks, ponds, and small lakes.

15 (4) "Water cluster" means an economically interconnected grouping of businesses,
16 institutions, and people relying directly or indirectly on the bays, rivers, and watersheds
17 including, but not limited to, the following sectors:

18 (i) Recreation, tourism, and public events;

19 (ii) Fisheries and aquaculture;

20 (iii) Boat and ship building;

21 (iv) Boating-related businesses;

22 (v) Transportation;

23 (vi) Military;

24 (vii) Research; and

25 (viii) Technology development and education.

26 (5) "Watershed" means a land area which because of its topography, soil type, and
27 drainage patterns acts as a collector of raw waters which regorge or replenish rivers and existing
28 or planned public water supplies.

29 **46-31.1-3. Bays, Rivers and Watersheds Fund.** – (a) There is hereby established a
30 restricted receipt account within the Department of Environmental Management to be called the
31 Bays, Rivers and Watersheds Fund;

32 (b) The fund shall consist of any funds which the state may from time to time
33 appropriate, as well as money received as gifts, grants, bequests, donations or other funds from
34 any public or private sources, as well as all fees collected pursuant to § 46-23-1(f)(2) for the

1 [leasing of submerged lands for transatlantic cables, and all fees collected pursuant to chapter 46-](#)
2 [12.11 for the disposal of septage;](#)

3 [\(c\) All funds, monies, and fees collected pursuant to this section shall be deposited in the](#)
4 [Bays, Rivers and Watersheds Fund, and shall be utilized by the Department of Environmental](#)
5 [Management consistent with the purposes of §46-23.2-1 entitled, “The Comprehensive](#)
6 [Watershed and Marine Monitoring Act of 2004”, §46-12, “Water Pollution” and §46-6.2 entitled](#)
7 [“Resilient Rhode Island Act of 2014 – Climate Change Coordination Council”. All expenditures](#)
8 [from the fund shall be subject to appropriation by the general assembly.](#)

9 **46-31.1-4. Severability.** [– If any provision of this chapter or the application thereof to](#)
10 [any person or circumstances is held invalid, such invalidity shall not affect other provisions or](#)
11 [applications of the chapter, which can be given effect without the invalid provision or application,](#)
12 [and to this end the provisions of this chapter are declared to be severable.](#)

13 SECTION 3. Section 46-12.7-13 of the General Laws in Chapter entitled “Oil Spill
14 Prevention, Administration and Response Fund” is hereby amended to read as follows:

15 **46-12.7-13. Preventative uses of the fund.** – (a) Recognizing the importance of the
16 development of readiness and response programs, the legislature may allocate not more than two
17 hundred fifty thousand dollars (\$250,000) per annum of the amount then currently in the fund to
18 be devoted to research and development in the causes, effects and removal of pollution caused by
19 oil, petroleum products and their by-products on the marine environment and the monitoring of
20 baseline environmental and economic conditions.

21 (b) The two hundred fifty thousand dollars (\$250,000) per annum allocated for research,
22 development, and monitoring shall be allocated to the [Department of Environmental Management](#)
23 ~~Coordination Team established pursuant to chapter 31 of this title~~ and expended ~~by the~~
24 ~~Coordination Team~~ consistent with the purposes of ~~subsections 46-31-9(d) and 46-31-9(e).~~ [§46-](#)
25 [23.2-3 entitled “The Comprehensive Watershed and Marine Monitoring Act of 2004”.](#)

26 (c) The remaining moneys in the fund which the legislature may allocate to research,
27 development, and monitoring shall be used for purposes approved by the director. Such purpose
28 may include, but shall not be limited to:

- 29 (1) Sensitive area data management and mapping;
- 30 (2) Scientific research and monitoring which is directly relevant to state legislation; and
- 31 (3) Development of more effective removal and containment technologies, appropriate
32 for the cleanup and containment of refined fuel oils.

33 SECTION 4. Sections 46-23.2-2, 46-23.2-5, and 46-23.2-6 of the General Laws in
34 Chapter 46-23.2 entitled “The Comprehensive Watershed and Marine Monitoring Act of 2004” is

1 hereby amended to read as follows:

2 **46-23.2-2. Legislative findings.** – (a) The general assembly finds and declares that there
3 is a need for an environmental ~~marine~~ monitoring system in the state that is capable of:

4 (1) Measuring the changing conditions in the functionality and health of the waters of the
5 state, including, but not limited to, Narragansett Bay and its watersheds, with one purpose being
6 identifying and predicting potential problems in the marine and freshwater habitats;

7 (2) Providing a data-based management system that employs central database via the
8 internet to store an internet-based electronic system to monitor, store and ~~monitoring data and~~
9 disseminate the analysis of this data to decision-makers and the public;

10 (3) Establishing a mechanism to coordinate and make consistent, monitoring efforts
11 between government agencies, municipalities, nonprofit organizations and universities; and

12 (4) Providing the comprehensive data needed to assess a sudden perturbation in the
13 marine and freshwater environments and to contribute to efforts of disaster prevention,
14 preparedness, response and recovery as defined in chapter 15 of title 30 entitled "The Rhode
15 Island Emergency Management Act."

16 (b) The general assembly recognizes and declares that the health of the waters of the
17 state, including, but not limited to, Narragansett Bay and its watersheds needs to be monitored
18 comprehensively on a long-term basis in order to be proactive in planning and responsive to
19 potential problems in the ~~marine~~ environment, including those that may arise due to a changing
20 climate. The availability of consistent environmental data supports ~~systems-level~~ planning and
21 management and provides resource managers, decision-makers and citizens with information on
22 how marine and freshwater habitats are responding to management programs and what
23 adjustments need to be made to existing programs or what new programs must be implemented to
24 achieve a healthy marine and freshwater ~~environment~~ environments.

25 (c) The general assembly recognizes the need for an integrated mechanism by which
26 individual monitoring efforts can be coordinated and managed as a system in which the
27 functionality of Narragansett Bay, ~~and~~ its watersheds ~~is~~ and other watersheds are measured and
28 individual planning and management efforts are adjusted to respond to support effective
29 environmental management. ~~the needs of this marine environment~~.

30 **46-23.2-5. The Rhode Island environmental monitoring collaborative – Creation.** –

31 (a) There is hereby authorized, created and established the "Rhode Island environmental
32 monitoring collaborative" (also known as the "collaborative") with such powers as are set forth
33 in this chapter, for the purposes of organizing, coordinating, maintaining and supporting the
34 environmental monitoring systems within Narragansett Bay ~~and~~ its watersheds and other

1 [watersheds in Rhode Island](#). The collaborative shall consist of ten (10) members, one
2 representative from each of the following: Coastal Institute at the University of Rhode Island
3 ("URI") Bay Campus (chair); coastal resources management council; department of
4 environmental management, water quality; department of environmental management, fisheries;
5 department of health; URI Watershed Watch; URI Graduate School of Oceanography;
6 Narragansett Bay commission; Statewide Planning Program (RIGIS) Division; and URI
7 Environmental Data Center. Members of the collaborative shall serve without salary but may be
8 paid expenses incurred in the performance of their duties.

9 (b) The collaborative shall work with other organizations and agencies that monitor
10 Narragansett Bay and its watersheds to perform the powers and duties established herein. These
11 include, but are not limited to, the Environmental Protection Agency, National Oceanic and
12 Atmospheric Agency, Natural Resources Conservation Service, U.S. Fish and Wildlife, U.S.
13 Geological Survey, Massachusetts Executive Office of Environmental Affairs, Narragansett Bay
14 Estuary Program, Brown University, Roger Williams University, Rhode Island Natural History
15 Survey, Save the Bay, Rhode Island Sea Grant, URI Cooperative Extension, and the Rhode Island
16 Rivers Council.

17 **46-23.2-6. Powers and duties.** – The collaborative shall have the following powers:

18 (1) To effectuate and implement a state monitoring strategy that addresses critical state
19 resource management needs, including, but not limited to, water quality protection, water
20 pollution control, fisheries and wildlife management, habitat restoration, coastal management,
21 public health protection and emergency response and that assesses and tracks environmental
22 health and function. Within six (6) months of its enactment, the collaborative shall adopt a
23 statewide monitoring strategy that will provide cost-effective and useful policies, standards,
24 protocols and guidelines for monitoring programs undertaken for the waters of the state, ~~that will~~
25 ~~support system level planning.~~ This strategy shall be reviewed and updated every ~~three (3)~~ [five](#)
26 [\(5\)](#) years. This strategy shall include the following elements:

- 27 (i) An inventory of existing monitoring programs;
- 28 (ii) An outline of additional monitoring programs the state needs;
- 29 (iii) A list of indicators that will be used to measure the health of the marine [and](#)
30 [freshwater](#) habitats of the state;
- 31 (iv) ~~A list~~ [Identification](#) of data standards and protocols that will be used on a reasonable
32 and consistent basis by monitoring programs that contribute data to the state monitoring system;
- 33 (v) A ~~mechanism~~ [plan](#) for data sharing among all monitoring programs that [optimizes the](#)
34 [ability of](#) ~~enables~~ both monitors and users to securely access monitoring data via the Internet and

1 to retain the integrity of such data;

2 (vi) A plan to provide data from the state ~~marine~~ environmental monitoring system for
3 disaster prevention, preparedness, response and recovery efforts in the marine environment; and

4 (vii) A communications strategy to provide for public access to monitoring data.

5 (2) To assist with the development and implementation of a state water monitoring and
6 assessment program, developed consistent with guidance issued by the United States
7 Environmental Protection Agency, and to augment ~~and implement~~ such a program to achieve the
8 purposes of this strategy set forth in subdivision (1).

9 (3) To prepare an annual report in the month of January to the governor and general
10 assembly on the activities for the preceding year as well as the predicted financial needs of the
11 system for the upcoming fiscal year.

12 (4) To enter into data sharing agreements with federal and state agencies, municipalities
13 and nongovernmental organizations for the purposes of coordination and management of
14 monitoring data and programs.

15 (5) To accept grants, donations and contributions in money, services, materials, or
16 otherwise, from the United States or any of its agencies, from this state and its agencies, or from
17 any other source, and to use or expend those moneys, services, materials or other contributions in
18 carrying out the purposes of this chapter.

19 (6) To enter into agreements for staff support that it deems necessary for its work, and to
20 contract with consultants for the services it may require to the extent permitted by its financial
21 resources.

22 SECTION 5. This article shall take effect as of July 1, 2015.

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ARTICLE 17

RELATING TO HUMAN SERVICES -- CHILD CARE--STATE SUBSIDIES

SECTION 1. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child Care-State Subsidies" is hereby amended to read as follows:

40-6.2-1.1. Rates established. -- (a) Through June 30, 2015, subject ~~Subject~~ to the payment limitations in section (b), the maximum reimbursement rates to be paid by the departments of human services and children, youth and families for licensed child care centers and certified family-child care providers shall be based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

LICENSED CHILD CARE CENTERS	75th PERCENTILE OF WEEKLY MARKET RATE
INFANT	\$182.00
PRESCHOOL	\$150.00
SCHOOL-AGE	\$135.00
CERTIFIED FAMILY-CHILD CARE PROVIDERS	75th PERCENTILE OF WEEKLY MARKET RATE
INFANT	\$150.00
PRESCHOOL	\$150.00
SCHOOL-AGE	\$135.00

Effective July 1, 2015, subject to the payment limitations in subsection (b), the maximum reimbursement rates to be paid by the departments of human services and children, youth and families for licensed child care centers and certified family-child care providers shall be based on the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be increased by ten dollars (\$10.00) per week for infant/toddler care provided by certified family-child care providers and license-exempt providers and then the rates for all providers for all age groups shall be increased by three percent (3%).

(b) The department shall pay child care providers based on the lesser of the applicable rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its public or private child care customers with respect to each of the rate categories, infant, preschool

1 and school-age.

2 (c) By June 30, 2004 and biennially ~~thereafter~~ through June 30, 2014, the department of
3 labor and training shall conduct an independent survey or certify an independent survey of the
4 then current weekly market rates for child care in Rhode Island and shall forward such weekly
5 market rate survey to the department of human services. The next survey shall be conducted by
6 June 30, 2016, and triennially thereafter. The departments of human services and labor and
7 training will jointly determine the survey criteria including, but not limited to, rate categories and
8 sub-categories. ~~The 75th percentile of weekly market rates in the table in subsection (a) shall be~~
9 ~~adjusted by the surveys conducted under this subsection, beginning January 1, 2006 and for the~~
10 ~~purposes of this section, and until adjusted in accordance with this subsection, the 75th percentile~~
11 ~~of weekly market rate shall be the average of the 2002 and 2004 weekly market rate surveys.~~

12 (d) In order to expand the accessibility and availability of quality child care, the
13 department of human services is authorized to establish by regulation alternative or incentive
14 rates of reimbursement for quality enhancements, innovative or specialized child care and
15 alternative methodologies of child care delivery, including non-traditional delivery systems and
16 collaborations.

17 (e) On or before January 1, 2007, all child care providers have the option to be paid every
18 two (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of
19 reimbursement payments.

20 SECTION 2. Section 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled "The
21 Rhode Island Works Program" is hereby amended to read as follows:

22 **40-5.2-20. Child care assistance.** -- Families or assistance units eligible for childcare
23 assistance.

24 (a) The department shall provide appropriate child care to every participant who is
25 eligible for cash assistance and who requires child care in order to meet the work requirements in
26 accordance with this chapter.

27 (b) Low-Income child care. - The department shall provide child care to all other
28 working families with incomes at or below one hundred eighty percent (180%) of the federal
29 poverty level if, and to the extent, such other families require child care in order to work at paid
30 employment as defined in the department's rules and regulations. Beginning October 1, 2013, ~~and~~
31 ~~until June 30, 2015, subject to available funding,~~ the department shall also provide child care to
32 families with income below one hundred eighty percent (180%) of the federal poverty level if,
33 and to the extent, such families require child care to participate on a short-term basis, as defined
34 in the department's rules and regulations, in training, apprenticeship, internship, on-the-job

1 training, work experience, work immersion, or other job readiness/job attachment program
2 sponsored or funded by the human resource investment council (governor's workforce board) or
3 state agencies that are part of the coordinated program system pursuant to §§ 42-102-9 and 42-
4 102-11.

5 (c) No family/assistance unit shall be eligible for child care assistance under this chapter
6 if the combined value of its liquid resources exceeds ten thousand dollars (\$10,000). Liquid
7 resources are defined as any interest(s) in property in the form of cash or other financial
8 instruments or accounts that are readily convertible to cash or cash equivalents. These include,
9 but are not limited to, cash, bank, credit union, or other financial institution savings, checking,
10 and money market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual
11 funds; and other similar financial instruments or accounts. These do not include educational
12 savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held
13 jointly with another adult, not including a spouse. The department is authorized to promulgate
14 rules and regulations to determine the ownership and source of the funds in the joint account.

15 (d) As a condition of eligibility for child care assistance under this chapter, the parent or
16 caretaker relative of the family must consent to, and must cooperate with, the department in
17 establishing paternity, and in establishing and/or enforcing child support and medical support
18 orders for all children in the family in accordance with title 15, as amended, unless the parent or
19 caretaker relative is found to have good cause for refusing to comply with the requirements of this
20 subsection.

21 (e) For purposes of this section "appropriate child care" means child care, including
22 infant, toddler, pre-school, nursery school, school-age, that is provided by a person or
23 organization qualified, approved, and authorized to provide such care by the department of
24 children, youth, and families, or by the department of elementary and secondary education, or
25 such other lawful providers as determined by the department of human services, in cooperation
26 with the department of children, youth and families and the department of elementary and
27 secondary education.

28 (f) (1) Families with incomes below one hundred percent (100%) of the applicable
29 federal poverty level guidelines shall be provided with free childcare. Families with incomes
30 greater than one hundred percent (100%) and less than one hundred eighty (180%) of the
31 applicable federal poverty guideline shall be required to pay for some portion of the childcare
32 they receive, according to a sliding-fee scale adopted by the department in the department's rules.

33 (2) For a thirty-six (36) month period beginning October 1, 2013, the child care subsidy
34 transition program shall function within the department of human services. Under this program,

1 families who are already receiving childcare assistance and who become ineligible for childcare
2 assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the
3 applicable federal poverty guidelines shall continue to be eligible for childcare assistance from
4 October 1, 2013, to September 30, 2016 or until their incomes exceed two hundred twenty-five
5 percent (225%) of the applicable federal poverty guidelines, whichever occurs first. To be
6 eligible, such families must continue to pay for some portion of the childcare they receive, as
7 indicated in a sliding-fee scale adopted in the department's rules and in accordance with all other
8 eligibility standards.

9 (g) In determining the type of childcare to be provided to a family, the department shall
10 take into account the cost of available childcare options; the suitability of the type of care
11 available for the child; and the parent's preference as to the type of child care.

12 (h) For purposes of this section "income" for families receiving cash assistance under §
13 40-5.2-11 means gross earned income and unearned income, subject to the income exclusions in
14 subdivisions 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross
15 earned and unearned income as determined by departmental regulations.

16 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
17 the expenditures for childcare in accordance with the provisions of § 35-17-1.

18 (j) In determining eligibility for child care assistance for children of members of reserve
19 components called to active duty during a time of conflict, the department shall freeze the family
20 composition and the family income of the reserve component member as it was in the month prior
21 to the month of leaving for active duty. This shall continue until the individual is officially
22 discharged from active duty.

23 SECTION 3. This article shall take effect upon passage.

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ARTICLE 18

RELATING TO HEALTH REFORM ASSESSMENT AND HEALTH BENEFIT EXCHANGE

SECTION 1. Section 42-11-2 of the General Laws in Chapter 42-11 entitled "Department of Administration" is hereby amended to read as follows:

42-11-2. Powers and duties of department. -- The department of administration shall have the following powers and duties:

- (1) To prepare a budget for the several state departments and agencies, subject to the direction and supervision of the governor;
- (2) To administer the budget for all state departments and agencies, except as specifically exempted by law;
- (3) To devise, formulate, promulgate, supervise, and control accounting systems, procedures, and methods for the state departments and agencies, conforming to such accounting standards and methods as are prescribed by law;
- (4) To purchase or to contract for the supplies, materials, articles, equipment, printing, and services needed by state departments and agencies, except as specifically exempted by law;
- (5) To prescribe standard specifications for those purchases and contracts and to enforce compliance with specifications;
- (6) To supervise and control the advertising for bids and awards for state purchases;
- (7) To regulate the requisitioning and storage of purchased items, the disposal of surplus and salvage, and the transfer to or between state departments and agencies of needed supplies, equipment, and materials;
- (8) To maintain, equip, and keep in repair the state house, state office building, and other premises owned or rented by the state for the use of any department or agency, excepting those buildings, the control of which is vested by law in some other agency;
- (9) To provide for the periodic inspection, appraisal or inventory of all state buildings and property, real and personal;
- (10) To require reports from state agencies on the buildings and property in their custody;
- (11) To issue regulations to govern the protection and custody of the property of the state;

1 (12) To assign office and storage space and to rent and lease land and buildings for the
2 use of the several state departments and agencies in the manner provided by law;

3 (13) To control and supervise the acquisition, operation, maintenance, repair, and
4 replacement of state-owned motor vehicles by state agencies;

5 (14) To maintain and operate central duplicating and mailing service for the several state
6 departments and agencies;

7 (15) To furnish the several departments and agencies of the state with other essential
8 office services;

9 (16) To survey and examine the administration and operation of the state departments
10 and agencies, submitting to the governor proposals to secure greater administrative efficiency and
11 economy, to minimize the duplication of activities, and to effect a better organization and
12 consolidation of functions among state agencies;

13 (17) To operate a merit system of personnel administration and personnel management
14 as defined in § 36-3-3 in connection with the conditions of employment in all state departments
15 and agencies within the classified service;

16 (18) To assign or reassign, with the approval of the governor, any functions, duties, or
17 powers established by this chapter to any agency within the department;

18 (19) To establish, maintain, and operate a data processing center or centers, approve the
19 acquisition and use of electronic data processing services by state agencies, furnish staff
20 assistance in methods, systems and programming work to other state agencies, and arrange for
21 and effect the centralization and consolidation of punch card and electronic data processing
22 equipment and services in order to obtain maximum utilization and efficiency;

23 (20) To devise, formulate, promulgate, supervise, and control a comprehensive and
24 coordinated statewide information system designed to improve the data base used in the
25 management of public resources, to consult and advise with other state departments and agencies
26 and municipalities to assure appropriate and full participation in this system, and to encourage the
27 participation of the various municipalities of this state in this system by providing technical or
28 other appropriate assistance toward establishing, within those municipalities, compatible
29 information systems in order to obtain the maximum effectiveness in the management of public
30 resources;

31 (i) The comprehensive and coordinated statewide information system may include a
32 Rhode Island geographic information system of land-related economic, physical, cultural and
33 natural resources.

34 (ii) In order to ensure the continuity of the maintenance and functions of the geographic

1 information system, the general assembly may annually appropriate such sum as it may deem
2 necessary to the department of administration for its support.

3 (21) To administer a statewide planning program including planning assistance to the
4 state departments and agencies;

5 (22) To administer a statewide program of photography and photographic services;

6 (23) To negotiate with public or private educational institutions in the state, in
7 cooperation with the department of health, for state support of medical education;

8 (24) To promote the expansion of markets for recovered material and to maximize their
9 return to productive economic use through the purchase of materials and supplies with recycled
10 content by the state of Rhode Island to the fullest extent practically feasible;

11 (25) To approve costs as provided in § 23-19-32; and

12 (26) To provide all necessary civil service tests for child protective investigators and
13 social workers at least twice each year and to maintain an adequate hiring list for these positions
14 at all times.

15 (27) (a) To prepare a report every three (3) months by all current property leases or
16 rentals by any state or quasi-state agency to include the following information:

17 (i) Name of lessor;

18 (ii) Description of the lease (purpose, physical characteristics, and location);

19 (iii) Cost of the lease;

20 (iv) Amount paid to date;

21 (v) Date initiated;

22 (vi) Date covered by the lease.

23 (b) To prepare a report by October 31, 2014 of all current property owned by the state or
24 leased by any state agency or quasi-state agency to include the following information:

25 (i) Total square feet for each building or leased space;

26 (ii) Total square feet for each building and space utilized as office space currently;

27 (iii) Location of each building or leased space;

28 (iv) Ratio and listing of buildings owned by the state versus leased;

29 (v) Total occupancy costs which shall include capital expenses, provided a proxy should
30 be provided to compare properties that are owned versus leased by showing capital expenses on
31 owned properties as a per square foot cost at industry depreciation rates;

32 (vi) Expiration dates of leases;

33 (vii) Number of workstations per building or leased space;

34 (viii) Total square feet divided by number of workstations;

- 1 (ix) Total number of vacant workstations;
- 2 (x) Percentage of vacant workstations versus total workstations available;
- 3 (xi) Date when an action is required by the state to renew or terminate a lease;
- 4 (xii) Strategic plan for leases commencing or expiring by June 30, 2016;
- 5 (xiii) Map of all state buildings which provides: cost per square foot to maintain, total
- 6 number of square feet, total operating cost, date each lease expires, number of persons per
- 7 building and total number of vacant seats per building; and
- 8 (xiv) Industry benchmark report which shall include total operating cost by full-time
- 9 equivalent employee, total operating cost by square foot and total square feet divided by full-time
- 10 equivalent employee.

11 (28) To provide by December 31, 1995 the availability of automatic direct deposit to any

12 recipient of a state benefit payment, provided that the agency responsible for making that

13 payment generates one thousand (1,000) or more such payments each month.

14 (29) To encourage municipalities, school districts, and quasi-public agencies to achieve

15 cost savings in health insurance, purchasing, or energy usage by participating in state contracts, or

16 by entering into collaborative agreements with other municipalities, districts, or agencies. To

17 assist in determining whether the benefit levels including employee cost sharing and unit costs of

18 such benefits and costs are excessive relative to other municipalities, districts, or quasi-public

19 agencies as compared with state benefit levels and costs.

20 [\(30\) To administer a health benefit exchange in accordance with chapter 157 of title 42.](#)

21 SECTION 2. Title 42 of the General Laws entitled "STATE AFFAIRS AND

22 GOVERNMENT" is hereby amended by adding thereto the following chapter:

23 [CHAPTER 157](#)

24 [RHODE ISLAND HEALTH BENEFIT EXCHANGE](#)

25 **42-157-1. Establishment of exchange.** -- [Purpose.](#) - [The department of administration is](#)

26 [hereby authorized to establish the Rhode Island health benefit exchange, to be known as](#)

27 [HealthSource RI, to exercise the powers and authority of a state-based exchange which shall meet](#)

28 [the minimum requirements of the federal act.](#)

29 **42-157-2. Definitions.** -- [As used in this section, the following words and terms shall](#)

30 [have the following meanings, unless the context indicates another or different meaning or intent:](#)

31 [\(1\) "Director" means the director of the department of administration.](#)

32 [\(2\) "Federal act" means the Federal Patient Protection and Affordable Care Act \(Public](#)

33 [Law 111-148\), as amended by the Federal Health Care and Education Reconciliation Act of 2010](#)

34 [\(Public Law 111-152\), and any amendments to, or regulations or guidance issued under, those](#)

1 acts.

2 (3) "Health plan" and "qualified health plan" have the same meanings as those terms are
3 defined in § 1301 of the Federal Act.

4 (4) "Insurer" means every medical service corporation, hospital service corporation,
5 accident and sickness insurer, dental service corporation, and health maintenance organization
6 licensed under title 27, or as defined in § 42-62-4.

7 (5) "Secretary" means the secretary of the Federal Department of Health and Human
8 Services.

9 (6) "Qualified dental plan" means a dental plan as described in § 1311(d)(2)B(ii) of the
10 Federal Act.

11 (7) "Qualified individuals" and "qualified employers" shall have the same meaning as
12 defined in federal law.

13 **42-157-3. General requirements. --** (a) The exchange shall make qualified health plans
14 available to qualified individuals and qualified employers. The exchange shall not make available
15 any health benefit plan that has not been certified by the exchange as a qualified health plan in
16 accordance with federal law.

17 (b) The exchange shall allow an insurer to offer a plan that provides limited scope dental
18 benefits meeting the requirements of § 9832 (c)(2)(A) of the Internal Revenue Code of 1986
19 through the exchange, either separately or in conjunction with a qualified health plan, if the plan
20 provides pediatric dental benefits meeting the requirements of § 1302(b)(1)(J) of the Federal Act.

21 (c) Any health plan that delivers a benefit plan on the exchange that covers abortion
22 services, as defined in 45 CFR § 156.280(d)(1), shall comply with segregation of funding
23 requirements, as well as an annual assurance statement to the Office of the Health Insurance
24 Commissioner, in accordance with 45 C.F.R. §§ 156.680(e)(3) and (5).

25 (d) At least one plan variation for individual market plan designs offered on the exchange
26 at each level of coverage, as defined by section 1302(d)(1) of the federal act, at which the carrier
27 is offering a plan or plans, shall exclude coverage for abortion services as defined in 45 CFR §
28 156.280(d)(1). If the health plan proposes different rates for such plan variations, each listed plan
29 design shall include the associated rate.

30 (e) Health plans that offer a plan variation that excludes coverage for abortion services as
31 defined in 45 CFR § 156.280(d)(1) for a religious exemption variation in the small group market
32 shall treat such a plan as a separate plan offering with a corresponding rate.

33 **42-157-4. Financing. --** (a) The department is authorized to assess insurers offering
34 qualified health plans and qualified dental plans. The revenue raised in accordance with this

1 subsection shall not exceed the revenue able to be raised through the federal government
2 assessment and shall be established in accordance and conformity with the federal government
3 assessment upon those insurers offering products on the Federal Health Benefit exchange.
4 Revenues from the assessment shall be deposited in a restricted receipt account for the sole use of
5 the exchange and shall be exempt from the indirect cost recovery provisions of § 35-4-27 of the
6 general laws.

7 (b) The general assembly may appropriate general revenue to support the annual budget
8 for the exchange in lieu of or to supplement revenues raised from the assessment under § 42-157-
9 4(a).

10 (c) If the director determines that the level of resources obtained pursuant to § 42-157-
11 4(a) will be in excess of the budget for the exchange, the department shall provide a report to the
12 governor, the speaker of the house and the senate president identifying the surplus and detailing
13 how the assessment established pursuant to § 42-157-4(a) may be offset in a future year to
14 reconcile with impacted insurers and how any future supplemental or annual budget submission
15 to the general assembly may be revised accordingly.

16 **42-157-5. Regional purchasing, efficiencies, and innovation.** -- To take advantage of
17 economies of scale and to lower costs, the exchange is hereby authorized to pursue opportunities
18 to jointly negotiate, procure or otherwise purchase exchange services with or partner with another
19 state or multiple states and to pursue a Federal Affordable Care Act 1332 Waiver.

20 **42-157-6. Audit.** -- (a) Annually, the exchange shall cause to have a financial and/or
21 performance audit of its functions and operations performed in compliance with the generally
22 accepted governmental auditing standards and conducted by the state bureau of audits or a
23 certified public accounting firm qualified in performance audits.

24 (b) If the audit is not directly performed by the state bureau of audits, the selection of the
25 auditor and the scope of the audit shall be subject to the approval of the state bureau of audits.

26 (c) The results of the audit shall be made public upon completion, posted on the
27 department's website and otherwise made available for public inspection.

28 **42-157-7. Exchange advisory board.** -- The exchange shall maintain an advisory board
29 which shall be appointed by the director. The director shall consider the expertise of the members
30 of the board and make appointments so that the board's composition reflects a range and diversity
31 of skills, backgrounds and stakeholder perspectives.

32 **42-157-8. Reporting.** -- HealthSource RI shall provide a monthly report to the
33 chairpersons of the house finance committee and the senate finance committee by the fifteenth
34 day of each month beginning in July 2015. The report shall include, but not be limited to, the

1 following information: actual enrollment data by market and insurer, total new and renewed
2 customers, number of paid customers, actual average premium costs by market and insurer,
3 number of enrollees receiving financial assistance as defined in the Federal Act, as well as the
4 number of inbound calls and the number of walk-ins received. The data on inbound calls shall be
5 segregated by type of call.

6 **42-157-9. Relation to other laws. --** Nothing in this chapter, and no action taken by the
7 exchange pursuant to this chapter, shall be construed to preempt or supersede the authority of the
8 health insurance commissioner to regulate the business of insurance within this state, the director
9 of the department of health to oversee the licensure of health care providers, the certification of
10 health plans under chapter 17.13 of title 23, or the licensure of utilization review agents wider
11 chapter 17.13 of title 23, or the director of the department of human services to oversee the
12 provision of medical assistance under chapter 8 of title 40. In addition to the provisions of this
13 chapter, all insurers offering qualified health plans or qualified dental plans in this state shall
14 comply fully with all applicable health insurance laws and regulations of this state.

15 **42-157-10. Severability. --** The provisions of this chapter are severable, and if any
16 provision hereof shall be held invalid in any circumstances, any invalidity shall not affect any
17 other provisions or circumstances. This chapter shall be construed in all respects so as to meet
18 any constitutional requirements. In carrying out the purposes and provisions of this chapter, all
19 steps shall be taken which are necessary to meet constitutional requirements.

20 SECTION 3. This article shall be effective as of January 1, 2015.

21

1 **ARTICLE 19**

2 RELATING TO COMMERCE CORPORATION AND ECONOMIC DEVELOPMENT

3 SECTION 1. Section 42-64-13 of the General Laws in Chapter 42-64 entitled "Rhode
4 Island Commerce Corporation" is hereby amended to read as follows:

5 **42-64-13. Relations with municipalities.** -- (a) (1) With respect to projects situated on
6 federal land, the Rhode Island commerce corporation is authorized to plan, construct, reconstruct,
7 rehabilitate, alter, improve, develop, maintain, and operate projects: (i) in conformity with the
8 applicable provisions of chapter 1 of title 2 except that the projects shall not require the approval
9 of a town or city council provided for in § 2-1-21, and (ii) without regard to the zoning or other
10 land use ordinances, codes, plans, or regulations of any municipality or political subdivision;
11 provided, however, that the exemption from the zoning or other land use ordinances, codes, plans,
12 or regulations shall be subject to the corporation's compliance with the provisions of this
13 subsection. Projects which are planned, constructed, reconstructed, rehabilitated, altered,
14 improved, or developed by the corporation on federal land in accordance with the provisions of
15 this subsection may be maintained and operated by lessees from and successors in interest to the
16 corporation in the same manner as if the projects had been in existence prior to the enactment of
17 the zoning or other land use ordinances, codes, plans, or regulations which, but for this chapter,
18 would otherwise be applicable. With respect to other projects of the commerce corporation, or
19 projects receiving state incentives as administered by the commerce corporation, developers are
20 authorized to plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, and
21 operate a project subject only to the state building code and the state fire code, and all inspections
22 regarding any such project shall be conducted by the state building commissioner or his designee
23 without regard to the building and fire codes of any municipality or political subdivision;
24 provided, however, that the exemption from the building and fire codes shall be subject to the
25 corporation's compliance with the provisions of this subsection.

26 (2) As used in this section, "the comprehensive plan" means a comprehensive plan
27 adopted pursuant to chapter 22 of title 45 by a planning board or commission; "the applicable
28 comprehensive plan" shall mean the comprehensive plan of any municipality within which any
29 project is to be situated, in whole or in part; and "the project plan" shall mean a general
30 description of a proposed project situated on federal land, describing in reasonable detail its

1 location, nature, and size. A zoning ordinance adopted by a municipality pursuant to chapter 24 of
2 title 45 shall not be deemed to be a comprehensive plan nor a statement of the land use goals,
3 objectives, and standards.

4 (3) If any project plan of the corporation with respect to projects situated on federal land
5 conforms to the land use goals, objectives, and standards of the applicable comprehensive plan as
6 of the time of the corporation's adoption of the project plan, or if there is no applicable
7 comprehensive plan, then before proceeding with the project described in the project plan, the
8 corporation shall refer the project plan to the appropriate community advisory committee which
9 may thereafter hold any public hearings as it may deem to be desirable for the purpose of
10 permitting the public to comment on the project plan. The community advisory committee shall
11 not later than forty-five (45) days after its receipt of the project plan, transmit its comments on the
12 project plan, in either written or oral form, to the corporation and thereupon, or upon the
13 community advisory committee's failure to take any action within the time specified, the
14 corporation shall be authorized to proceed with the project described in the project plan without
15 regard to the zoning or other land use ordinances, codes, plans, or regulations of a municipality
16 within which the project is to be situated in whole or in part.

17 (4) If any project plan of the corporation with respect to projects situated on federal land
18 does not conform to the land use goals, objectives, and standards of the applicable comprehensive
19 plan as of the time of the corporation's adoption of the project plan, then, before proceeding with
20 the project described in the project plan, the corporation shall refer the project plan to the local
21 governing body of any municipality within which any project is to be situated, in whole or in part.
22 The local governing body may thereafter hold any public hearings as it may deem to be desirable
23 for the purpose of permitting the public to comment on the project plan. The local governing
24 body shall, not later than forty-five (45) days after its receipt of the project plan, advise the
25 corporation of its approval or disapproval of that plan. If it shall disapprove the project plan, the
26 corporation shall nevertheless be authorized to proceed with the project described in the project
27 plan (without regard to the zoning or other land use ordinances, codes, plans, or regulations of a
28 municipality within which the project is to be situated in whole or in part) upon the subsequent
29 affirmative vote of a majority of the members of the board of directors then holding office as
30 directors taken at a meeting open to the public. If the local governing body approves the project
31 plan or fails to take any action within the time specified, the corporation shall be authorized to
32 proceed with the project described in the project plan without regard to the zoning or other land
33 use ordinances, codes, plans, or regulations of a municipality within which the project is to be
34 situated in whole or in part.

1 (5) The project plan's conformity with the applicable comprehensive plan shall be
2 determined by the board of directors of the corporation and its determination shall be binding and
3 conclusive for all purposes.

4 (b) With respect to projects situated on real property other than federal land, the
5 corporation shall plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, and
6 operate projects in conformity with the applicable zoning or other land use ordinances, codes,
7 plans, or regulations of any municipality or political subdivision of the state in which those
8 projects are situated.

9 (c) The corporation shall, in planning, constructing, reconstructing, rehabilitating,
10 altering, or improving any project, comply with all requirements of state and federal laws, codes,
11 or regulations applicable to that planning, construction, reconstruction, rehabilitation, alteration,
12 or improvement. The corporation shall adopt a comprehensive building code (which may, but
13 need not be, the BOCA Code) with which all projects shall comply. That adoption shall not
14 preclude the corporation's later adoption of a different comprehensive building code or of its
15 alteration, amendment, or supplementation of any comprehensive building code so adopted.
16 Except as otherwise specifically provided to the contrary, no municipality or other political
17 subdivision of the state shall have the power to modify or change in whole or in part the
18 drawings, plans, or specifications for any project of the corporation; nor to require that any
19 person, firm, or corporation employed with respect to that project perform work in any other or
20 different manner than that provided by those drawings, plans, and specifications; nor to require
21 that any such person, firm, or corporation obtain any approval, permit, or certificate from the
22 municipality or political subdivision in relation to the project; and the doing of that work by any
23 person, firm, or corporation in accordance with the terms of those drawings, plans, specifications,
24 or contracts shall not subject the person, firm, or corporation to any liability or penalty, civil or
25 criminal, other than as may be stated in the contracts or may be incidental to the proper
26 enforcement thereof; nor shall any municipality or political subdivision have the power to require
27 the corporation, or any lessee or successor in interest, to obtain any approval, permit, or
28 certificate from the municipality or political subdivision as a condition of owning, using,
29 maintaining, operating, or occupying any project acquired, constructed, reconstructed,
30 rehabilitated, altered, or improved by the corporation or pursuant to drawings, plans, and
31 specifications made or approved by the corporation; provided, however, that nothing contained in
32 this subsection shall be deemed to relieve any person, firm, or corporation from the necessity of
33 obtaining from any municipality or other political subdivision of the state any license which, but
34 for the provisions of this chapter, would be required in connection with the rendering of personal

1 services or sale at retail of tangible personal property.

2 (d) Except to the extent that the corporation shall expressly otherwise agree, a
3 municipality or political subdivision, including, but not limited to, a county, city, town, or district,
4 in which a project of the corporation is located, shall provide for the project, whether then owned
5 by the corporation or any successor in interest, police, fire, sanitation, health protection, and other
6 municipal services of the same character and to the same extent as those provided for other
7 residents of that municipality or political subdivision, but nothing contained in this section shall
8 be deemed to require any municipality or political subdivision to make capital expenditures for
9 the sole purpose of providing any of these services for that project.

10 (e) In carrying out a project, the corporation shall be empowered to enter into contractual
11 agreements with municipalities and public corporations and those municipalities and public
12 corporations are authorized and empowered, notwithstanding any other law, to enter into any
13 contractual agreements with the corporation and to do all things necessary to carry out their
14 obligations under the agreements.

15 (f) Notwithstanding the provisions of any general, special, or local law or charter,
16 municipalities and public corporations are empowered to purchase, or to lease for a term not
17 exceeding ninety-nine (99) years, projects of the corporation, upon any terms and conditions as
18 may be agreed upon by the municipality or public corporation and the corporation.

19 SECTION 2. Section 42-75-12 of the General Laws in Chapter 42-75 entitled "Council
20 on the Arts" is hereby amended to read as follows:

21 **42-75-12. Rhode Island film and television office.** -- Within the department of
22 ~~administration~~ executive office of commerce there is established a separate, distinct office
23 entitled the "Rhode Island film and television office." This office is established in order to
24 promote and encourage film and television productions within the state of Rhode Island. This
25 office is also responsible for the review of applications of motion picture productions pursuant to
26 the requirements of chapter 31.2 of title 44.

27 SECTION 3. Title 42 of the General Laws entitled "STATE AFFAIRS AND
28 GOVERNMENT" is hereby amended by adding thereto the following chapter:

29 CHAPTER 64.2

30 REBUILD RHODE ISLAND TAX CREDIT

31 **42-64.2-1. Short title.** -- This chapter shall be known and may be cited as the "Rebuild
32 Rhode Island Tax Credit Act."

33 **42-64.2-2. Findings and declarations.** -- (a) It is hereby found and declared that due to
34 long-term and short-term stagnant or declining economic trends in Rhode Island, businesses in

1 the state have found it difficult to make investments that would stimulate economic activity and
2 create new jobs for the citizens of the state. Moreover, such economic trends have caused
3 business closures or out-of-state business relocations, while other out-of-state businesses are
4 deterred from relocating to this state. This situation has contributed to a high rate of
5 unemployment in the state. Consequently, a need exists to promote the retention and expansion of
6 existing jobs, stimulate the creation of new jobs, attract new business and industry to the state,
7 and stimulate growth in real estate developments and/or businesses that are prepared to make
8 meaningful investment and foster job creation in Rhode Island.

9 (b) Through the establishment of a rebuild Rhode Island tax credit program, Rhode Island
10 can take steps to stimulate business development; retain and attract new business and industry to
11 the state; create good-paying jobs for its residents; assist with business, commercial, and
12 industrial real estate development; and generate revenues for necessary state and local
13 governmental services.

14 **42-64.2-3. Definitions. -- As used in this chapter:**

15 (1) "Adaptive Reuse" means the conversion of an existing structure from the use for
16 which it was constructed to a new use by maintaining elements of the structure and adapting such
17 elements to a new use.

18 (2) "Affiliate" means an entity that directly or indirectly controls, is under common
19 control with, or is controlled by the business. Control exists in all cases in which the entity is a
20 member of a controlled group of corporations as defined pursuant to § 1563 of the Internal
21 Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of
22 organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the
23 Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and
24 convincing evidence, as determined by the tax administrator, that control exists in situations
25 involving lesser percentages of ownership than required by those statutes. An affiliate of a
26 business may contribute to meeting either the capital investment or full-time employee
27 requirements of a business that applies for a credit under general laws § 46-64.20-5.

28 (3) "Affordable housing" means housing for sale or rent with combined rental costs or
29 combined mortgage loan debt services, property taxes, and required insurance that do not exceed
30 thirty percent (30%) of the gross annual income of a household earning up to eighty percent
31 (80%) of the area median income, as defined annually by the United States Department of
32 Housing and Urban Development.

33 (4) "Applicant" means a developer applying for a rebuild Rhode Island tax credit under
34 this chapter.

1 (5) "Business" means a corporation as defined in general laws § 44-1-1(4), or a
2 partnership, an S corporation, a non-profit corporation, a sole proprietorship, or a limited liability
3 corporation. A business shall include an affiliate of the business if that business applies for a
4 credit based upon any capital investment made by an affiliate.

5 (6) "Capital investment" in a real estate project means expenses by a developer incurred
6 after application for:

7 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
8 furnishing on real property or of a building, structure, facility, or improvement to real property;

9 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment,
10 including but not limited to material goods for the operation of a business on real property or in a
11 building, structure, facility, or improvement to real property.

12 In addition to the foregoing, if a developer acquires or leases a qualified development
13 project, the capital investment made or acquired by the seller or owner, as the case may be, if
14 pertaining primarily to the premises of the qualified development project, shall be considered a
15 capital investment by the developer and, if pertaining generally to the qualified development
16 project being acquired or leased, shall be allocated to the premises of the qualified development
17 project on the basis of the gross leasable area of the premises in relation to the total gross leasable
18 area in the qualified development project. The capital investment described herein shall be
19 defined through rules and regulations promulgated by the commerce corporation.

20 (7) "Certified historic structure" means a property which is located in the state of Rhode
21 Island and is

22 (i) Listed individually on the national register of historic places; or

23 (ii) Listed individually in the state register of historic places; or

24 (iii) Located in a registered historic district and certified by either the Rhode Island
25 historical preservation and heritage commission created pursuant to § 42-45-2 or the Secretary of
26 the Interior as being of historic significance to the district.

27 (8) "Commerce corporation" means the Rhode Island commerce corporation established
28 pursuant to general laws § 42-64-1 et. seq.

29 (9) "Commercial" shall mean non-residential development.

30 (10) "Developer" means a person, firm, business, partnership, association, political
31 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
32 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves
33 land or existing structures, which division, building, or improvement qualifies for benefits under
34 this chapter.

1 (11) "Development" means the improvement of land through the carrying out of building,
2 engineering, or other operations in, on, over, or under land, or the making of any material change
3 in the use of any buildings or land for the purposes of accommodating land uses.

4 (13) "Eligibility period" means the period in which a developer may claim a tax credit
5 under this act, beginning with the tax period in which the commerce corporation accepts
6 certification from the developer that it has met the requirements of the act and extending
7 thereafter for a term of five (5) years.

8 (14) "Full-time employee" means a person who is employed by a business for
9 consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other
10 standard of service generally accepted by custom or practice as full-time employment, or who is
11 employed by a professional employer organization pursuant to an employee leasing agreement
12 between the business and the professional employer organization for a minimum of thirty-five
13 (35) hours per week, or who renders any other standard of service generally accepted by custom
14 or practice as full-time employment, and whose wages are subject to withholding.

15 (15) "Hope community" means a municipality for which the five (5) year average
16 percentage of families with income below the federal poverty level exceeds the state five (5) year
17 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau
18 of the Census.

19 (16) "Mixed use" means a development comprising both commercial and residential
20 components.

21 (17) "Partnership" means an entity classified as a partnership for federal income tax
22 purposes.

23 (18) "Placed in service" means the earlier of i) substantial construction or rehabilitation
24 work has been completed which would allow for occupancy of an entire structure or some
25 identifiable portion of a structure, as established in the application approved by the commerce
26 corporation board or ii) receipt by the developer of a certificate, permit or other authorization
27 allowing for occupancy of the project or some identifiable portion of the project by the municipal
28 authority having jurisdiction.

29 (19) "Project" means qualified development project as defined under subsection (23) of
30 this chapter.

31 (20) "Project area" means land or lands under common ownership or control in which a
32 qualified development project is located.

33 (21) "Project cost" means the costs incurred in connection with the qualified development
34 project or qualified residential or mixed use project by the applicant until the issuance of a

1 permanent certificate of occupancy, or until such other time specified by the commerce
2 corporation, for a specific investment or improvement, as defined through rules and regulations
3 promulgated by the commerce corporation.

4 (22) "Project financing gap" means

5 (i) The part of the total project cost that remains to be financed after all other sources of
6 capital have been accounted for (such sources will include, but not be limited to, developer-
7 contributed capital), which shall be defined through rules and regulations promulgated by the
8 commerce corporation, or

9 (ii) The amount of funds that the state may invest in a project to gain a competitive
10 advantage over a viable and comparable location in another state by means described in this
11 chapter.

12 (23) "Qualified development project" means a specific construction project or
13 improvement, including lands, buildings, improvements, real and personal property or any
14 interest therein, including lands under water, riparian rights, space rights and air rights, acquired,
15 owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved,
16 undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting
17 the requirements of this chapter, as set forth in an application made to the commerce corporation.

18 (24) "Recognized historical structure" means a property which is located in the state of
19 Rhode Island and is commonly considered to be of historic or cultural significance as determined
20 by the commerce corporation in consultation with the state historic preservation officer.

21 (25) "Residential" means a development of residential dwelling units.

22 (26) "Targeted industry" means any advanced, promising or otherwise prioritized
23 industry identified in the economic development vision and policy promulgated pursuant General
24 Laws § 42-64.17-1 or, until such time as any such economic development vision and policy is
25 promulgated, as identified by the commerce corporation.

26 (27) "Transit oriented development area" means an area in proximity to transit
27 infrastructure that will be further defined by regulation of the commerce corporation in
28 consultation with the Rhode Island department of transportation.

29 (28) "Workforce housing" means housing for sale or rent with combined rental costs or
30 combined mortgage loan debt services, property taxes, and required insurance that do not exceed
31 thirty percent (30%) of the gross annual income of a household earning between eighty percent
32 (80%) and one hundred and forty percent (140%) of the area median income, as defined annually
33 by the United States Department of Housing and Urban Development.

34 **42-64.2-4. Establishment of program. -- The rebuild Rhode Island tax credit program is**

1 hereby established as a program under the jurisdiction and administration of the commerce
2 corporation. The program may provide tax credits to applicants meeting the requirements of this
3 chapter for an eligibility period of five (5) years. On an annual basis, the commerce corporation
4 shall confer with the executive office of commerce, the department of administration, and the
5 division of taxation regarding the availability of funds for the award of new tax credits.

6 **42-64.2-5. Tax credits. --** (a) An applicant meeting the requirements of this chapter may
7 be allowed a credit as set forth hereinafter against taxes imposed upon such person under
8 applicable provisions of title 44 of the general laws for a qualified development project.

9 (b) To be eligible as a qualified development project entitled to tax credits, an applicant's
10 chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the
11 time of application, that:

12 (1) The applicant has committed capital investment or owner equity in not less than
13 twenty percent (20%) of the total project cost;

14 (2) There is a project financing gap in which after taking into account all available private
15 and public funding sources, the project is not likely to be accomplished by private enterprise
16 without the tax credits described in this chapter; and

17 (3) The project fulfills the state's policy and planning objectives and priorities in that:

18 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax
19 stabilization agreement from the municipality in which the real estate project is located on such
20 terms as the commerce corporation deems acceptable;

21 (ii) It (A) is a commercial development consisting of at least 25,000 square feet occupied
22 by at least one business employing at least 25 full-time employees after construction or such
23 additional full-time employees as the commerce corporation may determine; (B) is a multi-family
24 residential development in a new, adaptive reuse, certified historic structure, or recognized
25 historical structure consisting of at least 20,000 square feet and having at least 20 residential units
26 in a hope community; or (C) is a mixed use development in a new, adaptive reuse, certified
27 historic structure, or recognized historical structure consisting of at least 25,000 square feet
28 occupied by at least one business, subject to further definition through rules and regulations
29 promulgated by the commerce corporation; and

30 (iii) Involves a total project cost of not less than \$5,000,000, except for a qualified
31 development project located in a hope community or redevelopment area designated under § 45-
32 32-4 of the general laws in which event the commerce corporation shall have the discretion to
33 modify the minimum project cost requirement.

34 (c) Applicants qualifying for a tax credit pursuant to chapter 44-33.2 of the General Laws

1 shall be exempt from the requirements of subsections (b)(3)(ii) and (b)(3)(iii) of this section. The
2 following procedure shall apply to such applicants:

3 (1) The division of taxation shall remain responsible for determining the eligibility of an
4 applicant for tax credits awarded under chapter 44-33.2 of the General Laws;

5 (2) The commerce corporation shall retain sole authority for determining the eligibility of
6 an applicant for tax credits awarded under this chapter; and

7 (3) The commerce corporation shall not award in excess of fifteen percent (15%) of the
8 annual amount appropriated in any fiscal year to applicants seeking tax credits pursuant to this
9 subsection.

10 (d) Maximum project credit. (i) For qualified development projects, the maximum tax
11 credit allowed under this chapter shall be the lesser of (1) thirty percent (30%) of the total project
12 cost; or (2) the amount needed to close a project financing gap (after taking into account all other
13 private and public funding sources available to the project), as determined by the commerce
14 corporation.

15 (ii) The credit allowed pursuant to this chapter shall not exceed fifteen million dollars
16 (\$15,000,000) for any qualified development project under this chapter. No building or qualified
17 development project to be completed in phases or in multiple projects shall exceed the maximum
18 project credit of fifteen million dollars (\$15,000,000) for all phases or projects involved in the
19 rehabilitation of such building.

20 (e) Credits available under this chapter shall not exceed twenty percent (20%) of the
21 project cost, provided, however, that the applicant shall be eligible for additional tax credits of not
22 more than ten percent (10%) of the project cost, if the qualified development project meets any of
23 the following criteria or other additional criteria determined by the commerce corporation from
24 time to time in response to evolving economic or market conditions:

25 (1) The project includes adaptive reuse or development of recognized historical
26 structures;

27 (2) The project is undertaken by or for targeted industries;

28 (3) The project is located in a transit oriented development area;

29 (4) The project includes residential development of which at least twenty percent (20%)
30 of the residential units are designated as affordable housing or workforce housing;

31 (5) The project includes the adaptive reuse of property subject to the requirements of the
32 industrial property remediation and reuse act, sections 23-19.14-1, et seq. of the general laws; or

33 (6) The project includes commercial facilities constructed in accordance with the
34 minimum environmental and sustainability standards, as certified by the commerce corporation

1 pursuant to LEED or other equivalent standards.

2 (f) Tax credits shall not be allowed under this chapter prior to the taxable year in which
3 the project is placed in service.

4 (g) The amount of a tax credit allowed under this chapter shall be allowable to the
5 taxpayer in up to five annual increments; no more than thirty percent (30%) and no less than
6 fifteen percent (15%) of the total credits allowed to a taxpayer under this chapter may be
7 allowable for any taxable year.

8 (h) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
9 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
10 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for
11 the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits
12 allowed to a partnership, a limited liability company taxed as a partnership, or multiple owners of
13 property shall be passed through to the persons designated as partners, members or owners
14 respectively pro rata or pursuant to an executed agreement among such persons designated as
15 partners, members or owners documenting an alternate distribution method without regard to
16 their sharing of other tax or economic attributes of such entity.

17 (i) The commerce corporation in consultation with the division of taxation shall establish,
18 by regulation, the process for the assignment, transfer or conveyance of tax credits.

19 (j) For purposes of this chapter, any assignment or sales proceeds received by the
20 taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be
21 exempt from taxation under title 44 of the general laws. If a tax credit is subsequently revoked or
22 adjusted, the seller's tax calculation for the year of revocation or adjustment shall be increased by
23 the total amount of the sales proceeds, without proration, as a modification under chapter 30 of
24 title 44 of the general laws. In the event that the seller is not a natural person, the seller's tax
25 calculation under chapters 11, 13, 14, or 17 of title 44 of the general laws, as applicable, for the
26 year of revocation, or adjustment, shall be increased by including the total amount of the sales
27 proceeds without proration.

28 (k) The tax credit allowed under this chapter may be used as a credit against corporate
29 income taxes imposed under chapters 11, 13, 14, or 17, of title 44, or may be used as a credit
30 against personal income taxes imposed under chapter 30 of title 44 for owners of pass-through
31 entities such as a partnership, a limited liability company taxed as a partnership, or multiple
32 owners of property.

33 (l) In the case of a corporation, this credit is only allowed against the tax of a corporation
34 included in a consolidated return that qualifies for the credit and not against the tax of other

1 corporations that may join in the filing of a consolidated tax return.

2 (m) Upon request of a taxpayer and subject to annual appropriation, the state shall
3 redeem such credit in whole or in part for ninety percent (90%) of the value of the tax credit. The
4 division of taxation, in consultation with the commerce corporation, shall establish by regulation
5 a redemption process for tax credits.

6 (n) Projects eligible to receive a tax credit under this chapter may, at the discretion of the
7 commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
8 following classes of personal property only to the extent utilized directly and exclusively in such
9 project: (1) furniture, fixtures and equipment, except automobiles, trucks or other motor vehicles;
10 or (2) such other materials, including construction materials and supplies, that are depreciable and
11 have a useful life of one year or more and are essential to the project.

12 (o) The commerce corporation shall promulgate rules and regulations for the
13 administration and certification of additional tax credit under subsection (e) of this section,
14 including criteria for the eligibility, evaluation, prioritization, and approval of projects that
15 qualify for such additional tax credit.

16 (p) The commerce corporation shall not have any obligation to make any award or grant
17 any benefits under this chapter.

18 **42-64.2-6. Administration.** -- (a) To obtain the tax credit authorized in this chapter,
19 applicants shall apply to the commerce corporation board for approval of a qualified development
20 project for credits under this chapter. Such approval shall at a minimum require:

21 (1) That the applicant has submitted a completed application as developed by the
22 commerce corporation in consultation with the division of taxation;

23 (2) That the chief executive of the commerce corporation provide written confirmation to
24 the commerce corporation board that (i) the commerce corporation has reviewed the application
25 and any determination regarding the potential impact on the project's ability to stimulate business
26 development; retain and attract new business and industry to the state; create jobs, including
27 good-paying jobs, for its residents; assist with business, commercial, and industrial real estate
28 development; and generate revenues for necessary state and local governmental services; and (ii)
29 the commerce corporation as to the total credits to be awarded to the applicant.

30 (3) That the secretary of commerce provide written confirmation to the commerce
31 corporation board that the recommendation of the commerce corporation is consistent with the
32 purposes of this chapter; and

33 (4) That the director of the office of management and budget provide (i) written
34 confirmation to the commerce corporation board that the total credits recommended by the

1 commerce corporation do not exceed the existing and anticipated revenue capacity of the state
2 and its funding commitment described in 42-64.20-7; and (ii) an analysis of the fiscal impact, if
3 any, in the year of application and any subsequent year. Such determination shall be made in a
4 timely manner.

5 (b) As the commerce corporation board determines whether to grant credits under this
6 chapter, it shall consider the purposes for which this chapter is established, which include (but are
7 not necessarily limited to) the following: (i) to create jobs with an emphasis on jobs that pay at
8 least the most recent state median wage as defined by the Department of Labor and Training; and
9 (ii) to spur economic growth and new development in Rhode Island.

10 (c) To claim a tax credit authorized by the board of the commerce corporation, applicants
11 shall apply to the commerce corporation for a certification that the project has met all
12 requirements of this chapter and any additional requirements set by the commerce corporation
13 subsequent to the time the qualified development project is placed in service. The commerce
14 corporation shall issue to the applicant a certification or a written response detailing any
15 deficiencies precluding certification. The commerce corporation may deny certification, or may
16 revoke the delivery of tax credits if the project does not meet all requirements of this chapter and
17 any additional requirements set by the commerce corporation.

18 (d) Upon issuance of a certification by the commerce corporation under subsection (c) of
19 this section, the division of taxation shall, on behalf of the State of Rhode Island, issue tax credit
20 certificates equaling one hundred percent (100%) of the tax credits approved by the commerce
21 corporation.

22 (e) In the event that tax credits or a portion of tax credits are revoked by the commerce
23 corporation and such tax credits have been transferred or assigned, the commerce corporation will
24 pursue its recapture rights and remedies against the applicant of the tax credits who shall be liable
25 to repay to the commerce corporation the face value of all tax credits assigned or transferred, and
26 all fees paid by the applicant shall be deemed forfeited. No redress shall be sought against
27 assignees or transferees of such tax credits provided the tax credits were acquired by way of an
28 arms-length transaction, for value, and without notice of violation, fraud or misrepresentation.

29 (f) The commerce corporation and division of taxation shall promulgate such rules and
30 regulations as are necessary to carry out the intent and purpose and implementation of the
31 responsibilities of each under this chapter.

32 **42-64.2-7. Rebuild Rhode Island tax credit fund. --** There is hereby established at the
33 commerce corporation a restricted account known as the rebuild Rhode Island tax credit fund (the
34 "Fund") in which all amounts appropriated for the redemption and/or reimbursement of tax

1 credits under this chapter shall be deposited. The Fund shall be used to pay for the redemption of
2 tax credits or reimbursement to the state for tax credits applied against a taxpayer's liability. The
3 Fund shall be exempt from attachment, levy or any other process at law or in equity. The director
4 of the department of revenue shall make a requisition to the commerce corporation for funding
5 during any fiscal year as may be necessary to pay for the redemption of tax credits presented for
6 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
7 commerce corporation shall pay from the Fund such amounts as requested by the director of the
8 department of revenue necessary for redemption or reimbursement in relation to tax credits
9 granted under this chapter.

10 **42-64.2-8. Program integrity.** -- (a) Program integrity being of paramount importance,
11 the commerce corporation shall establish procedures to ensure ongoing compliance with the terms
12 and conditions of the program established herein, including procedures to safeguard the
13 expenditure of public funds and to ensure that the funds further the objectives of the program.

14 (b) The commerce corporation shall adopt implementation guidelines, directives, criteria,
15 and rules and regulations pursuant to § 42-35-3 of the general laws, as are necessary to implement
16 this chapter, including, but not limited to: examples of the enumeration of specific targeted
17 industries; specific delineation of incentive areas; the determination of additional limits; the
18 promulgation of procedures and forms necessary to apply for a tax credit, including the
19 enumeration of the certification procedures; the allocation of new tax credits in consultation with
20 the executive office of commerce, division of taxation and department of administration; and
21 provisions for tax credit applicants to be charged an initial application fee, and ongoing service
22 fees, to cover the administrative costs related to the tax credit.

23 **42-64.2-9. Reporting requirements.** -- (a) By August 1st of each year, each applicant
24 receiving credits under this chapter shall report to the commerce corporation and the division of
25 taxation the following information:

26 (1) The number of total full-time employees employed at the development;

27 (2) The total project cost;

28 (3) The total cost of materials or products purchased from Rhode Island businesses; and

29 (4) Such other reasonable information deemed necessary by the secretary of commerce.

30 (b) By September 1, 2016 and each year thereafter, the commerce corporation shall report
31 the name, address, and amount of tax credit for each credit recipient during the previous state
32 fiscal year to the governor, the speaker of the house of representatives, the president of the senate,
33 and the chairpersons of the house and senate finance committees, the house and senate fiscal
34 advisors, and the department of revenue. Such report shall include any determination regarding

1 the potential impact on an approved qualified development project's ability to stimulate business
2 development; retain and attract new business and industry to the state; create good-paying jobs
3 for its residents; assist with business, commercial, and industrial real estate development; and
4 generate revenues for necessary state and local governmental services.

5 (c) By October 1, 2016 and each year thereafter, the commerce corporation shall report
6 the total number of approved projects, project costs, and associated amount of approved tax
7 credits approved during the prior fiscal year. This report shall be available to the public for
8 inspection by any person and shall be published by the commerce corporation on its website and
9 by the secretary of commerce on the executive office of commerce website.

10 (d) By October 1st of each year the division of taxation shall report the name, address,
11 and amount of tax credit received for each credit recipient during the previous state fiscal year to
12 the governor, the chairpersons of the house and senate finance committees, the house and senate
13 fiscal advisors, and the department of labor and training.

14 (e) By November 1st of each year the division of taxation shall report in the aggregate the
15 information required under subsection 42-64.20-9(a). This report shall be available to the public
16 for inspection by any person and shall be published by the tax administrator on the tax division
17 website.

18 **42-64.2-10. Sunset.** -- No credits shall be authorized to be reserved pursuant to this
19 chapter after December 31, 2018.

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

22 CHAPTER 64.21

23 RHODE ISLAND TAX INCREMENT FINANCING

24 **42-64.21-1. Short title.** -- This act shall be known and may be cited as the "Rhode Island
25 Tax Increment Financing Act of 2015."

26 **42-64.21-2. Legislative findings.** -- (a) It is hereby found and declared that due to long-
27 term and short-term stagnant or declining economic trends in Rhode Island, businesses in the
28 state have found it difficult to make investments that would stimulate economic activity and
29 create new jobs for the citizens of the state. Moreover, such economic trends have caused
30 business closures or out-of-state business relocations, while other out-of-state businesses are
31 deterred from relocating to this state. This situation has contributed to a high rate of
32 unemployment in the state. Consequently, a need exists to promote the retention and expansion of
33 existing jobs, stimulate the creation of new jobs, attract new business and industry to the state,
34 and stimulate growth in real estate developments and/or businesses that are prepared to make

1 meaningful investment and foster job creation in Rhode Island.

2 (b) Through the establishment of a tax increment financing program, Rhode Island can
3 take steps to stimulate business development; retain and attract new business and industry to the
4 state; create good-paying jobs for its residents; assist with business, commercial, and industrial
5 real estate development; and generate revenues for necessary state and local governmental
6 services.

7 **42-64.21-3. Definitions. -- as used in this chapter:**

8 (1) "Applicant" means a developer proposing to enter into a tax increment financing
9 agreement under this chapter.

10 (2) "Commerce corporation" means the Rhode Island commerce corporation established
11 pursuant to general laws § 42-64-1 et. seq.

12 (3) "Developer" means a person, firm, corporation, partnership, association, political
13 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
14 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves
15 land or existing structures, which division, building, or improvement qualifies for benefits under
16 this chapter.

17 (4) "Hope Community" means a municipality for which the five (5) year average
18 percentage of families with income below the federal poverty level exceeds the state five (5) year
19 average percentage, both most recently reported by the U.S. Department of Commerce, Bureau of
20 the Census.

21 (5) "Eligible revenue" means the incremental revenues set forth in § 42-64.21-5 of this
22 chapter.

23 (6) "Incremental" means (i) net new revenue to the State of Rhode Island as defined by
24 the commerce corporation, in consultation with the department of revenue as established in
25 Chapter 42-142 of the general laws, or (ii) existing revenue at substantial risk of loss to the State
26 of Rhode Island as defined by the commerce corporation in consultation with the department of
27 revenue.

28 (7) "Project area" means land or lands under common ownership or control as certified by
29 the commerce corporation.

30 (8) "Project financing gap" means:

31 (i) The part of the total project cost that remains to be financed after all other sources of
32 capital have been accounted for, including, but not limited to, developer-contributed capital,
33 which shall be defined through rules and regulations promulgated by the commerce corporation;
34 or

1 (ii) The amount of funds that the state may invest in a project to gain a competitive
2 advantage over a viable and comparable location in another state by means described in this
3 chapter.

4 (9) "Qualified development project" means a specific construction project or
5 improvement, including lands, buildings, improvements, real and personal property or any
6 interest therein, including lands under water, riparian rights, space rights and air rights, acquired,
7 owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved,
8 undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting
9 the requirements of this chapter, as set forth in an application made to the commerce corporation.

10 (10) "Qualifying TIF area" shall mean an area containing a qualified development project
11 identified by the commerce corporation as a priority because of its potential to generate, preserve
12 or otherwise enhance jobs or its potential to produce, preserve or otherwise enhance housing
13 units. The commerce corporation shall take into account the following factors in determining
14 whether a qualified development project is a priority:

15 (i) Generation or preservation of manufacturing jobs;

16 (ii) Promotion of targeted industries;

17 (iii) Location in a port or airport district;

18 (iv) Location in an industrial or research park;

19 (v) Location in a transit oriented development area;

20 (vi) Location in a hope community;

21 (vii) Location in an area designated by a municipality as a redevelopment area under §
22 45-32-4 of the general laws; and

23 (viii) Location in an area located within land approved for closure under any federal
24 commission on base realignment and closure action.

25 (11) "Revenue increment base" means the amounts of all eligible revenues from sources
26 within the qualifying TIF area in the calendar year preceding the year in which the TIF agreement
27 is executed, as certified by the division of taxation.

28 (12) "TIF agreement" means an agreement between the commerce corporation and a
29 developer, under which, in exchange for the benefits of the funding derived from qualification
30 under this chapter, the developer agrees to perform any work or undertaking necessary for a
31 qualified development project, including the clearance, development or redevelopment,
32 construction, or rehabilitation of any structure or improvement of commercial, industrial, or
33 residential property; public infrastructure; preexisting municipally-owned stadium of 10,000 seats
34 or greater; or utilities within a qualifying TIF area.

1 (13) "TIF payment" means reimbursement of all or a portion of the project financing gap
2 of a qualified development project from the division of taxation as provided under this chapter.

3 (14) "Targeted industry" means any advanced, promising or otherwise prioritized
4 industry identified in the economic development vision and policy promulgated pursuant General
5 Laws § 42-64.17-1 or, until such time as any such economic development vision and policy is
6 promulgated, as identified by the commerce corporation.

7 (15) "Transit oriented development area" means an area in proximity to transit
8 infrastructure that will be further defined by regulation of the commerce corporation in
9 consultation with the Rhode Island department of transportation.

10 **42-64.21-4. TIF program.** -- The commerce corporation shall establish a tax increment
11 financing program for the purpose of encouraging qualified development projects in qualifying
12 TIF areas.

13 **42-64.21-5. Financing.** -- (a) Up to the limits established in subsection (c) of this section
14 and in accordance with a TIF agreement, the division of taxation shall pay to the developer
15 incremental state revenues directly realized from projects or businesses operating in the
16 qualifying TIF area from the taxes assessed and collected under chapters 11, 13, 14, 17, 18, 19,
17 and 30 of Title 44 of the general laws or realized from such venue ticket sales or parking taxes as
18 may be established and levied under state law.

19 (b) Up to 75 percent of the projected annual incremental revenues may be allocated under
20 a TIF agreement. The incremental revenue for the revenues listed in subsection (a) of this section
21 shall be calculated as the difference between the amount collected in any fiscal year from any
22 eligible revenue source included in the TIF agreement, less the revenue increment base for that
23 eligible revenue.

24 (c) The division of taxation is hereby authorized and empowered to segregate the annual
25 incremental revenues allocated under a TIF agreement and transfer such amounts to the general
26 treasurer for deposit in a restricted account known as the TIF fund. The TIF fund shall be used
27 solely to pay for the incentives granted under this chapter. The director of the department of
28 revenue shall annually determine if a surplus exists in the TIF fund over amounts necessary to
29 fund incentives under this chapter in a fiscal year and may authorize the general treasurer to
30 transfer any surplus to the general fund. The unexpended balance of such sum of money received
31 and appropriated for the TIF fund remaining in the treasury at the close of each fiscal year, shall
32 be continued to and is hereby annually appropriated for the same account for the ensuing year.

33 (d) Under conditions defined by the commerce corporation and in consultation with the
34 department of revenue, those taxes eligible for inclusion in this TIF program may instead be

1 exempted up to the levels permitted by this act in cases of significant taxpayers. Such significant
2 taxpayers may instead be required to contribute payments in lieu of taxes (PILOTs) into a
3 dedicated fund established by the commerce corporation. Such payments shall be up to 75 percent
4 of the amount that would otherwise be due to the state in the form of taxation as per the
5 provisions of this statute. Such dedicated funds must be used for the purposes described in this
6 act. The commerce corporation may issue revenue bonds secured by this dedicated fund. Such
7 bonds shall not be a general obligation of the state.

8 (e) The commerce corporation shall promulgate an application form and procedure for
9 the program.

10 **42-64.21-6. Agreements permitted. --** (a) The commerce corporation is authorized to
11 enter into a TIF agreement with a developer for any qualified development project located within
12 a qualifying TIF area. The TIF agreement between the commerce corporation and the developer
13 shall contain a provision acknowledging that the benefits of said agreement, with the exception of
14 42-64.21-5 (d) of this chapter, are subject to such annual appropriation.

15 (b) The decision whether or not to enter into a TIF agreement is solely within the
16 discretion of the commerce corporation. However, to enter into an agreement with the commerce
17 corporation as authorized in this chapter, applicants shall apply:

18 (1) To the commerce corporation for approval of the proposed project. Such approval
19 shall require:

20 (i) That the applicant has submitted a completed application as developed by the
21 commerce corporation;

22 (ii) That the chief executive officer of the commerce corporation provide written
23 confirmation to the commerce corporation board that (A) the commerce corporation has reviewed
24 the application and any determination regarding the potential impact on the project's ability to
25 promote the retention and expansion of existing jobs, stimulate the creation of new jobs,
26 including good-paying jobs, attract new business and industry to the state, and stimulate growth
27 in real estate developments and/or businesses that are prepared to make meaningful investment
28 and foster job creation in the state; and (B) the length of the TIF agreement and the percentage of
29 incremental revenues to be allocated under the TIF agreement.

30 (iii) That the secretary of commerce provide written confirmation to the commerce
31 corporation board that the recommendation of the commerce corporation is consistent with the
32 purposes of this chapter.

33 (c) A developer that has entered into a TIF agreement with the commerce corporation
34 pursuant to this section may, upon notice to and consent of the corporation, pledge and assign as

1 security for any loan, any or all of its right, title and interest in and to the TIF agreement and in
2 the TIF payments due thereunder, and the right to receive same, along with the rights and
3 remedies provided to the developer under such agreement. Any such assignment shall be an
4 absolute assignment for all purposes, including the federal bankruptcy code.

5 (d) Any pledge of TIF payments made by the developer shall be valid and binding from
6 the time when the pledge is made and filed in the records of the commerce corporation. The TIF
7 agreement and payments so pledged and thereafter received by the developer shall immediately
8 be subject to the lien of the pledge without any physical delivery thereof or further act, and the
9 lien of any pledge shall be valid and binding as against all parties having claims of any kind in
10 tort, contract, or otherwise against the developer irrespective of whether the parties have notice
11 thereof.

12 (e) The commerce corporation shall be entitled to impose an application fee and impose
13 other charges upon developers associated with the review of a project and the administration of
14 the program.

15 (f) Maximum agreement amount. (a) In no event shall the amount of the reimbursements
16 under a TIF agreement exceed 30 percent of the total cost of the project and provided further, that
17 the commerce corporation may exempt public infrastructure, a preexisting municipally-owned
18 stadium of 10,000 seats or greater, or utilities from said 30 percent cap.

19 **42-64.21-7. Program integrity.** -- Program integrity being of paramount importance, the
20 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
21 and conditions of the program established herein, including procedures to safeguard the
22 expenditure of public funds and to ensure that the funds further the objectives of the program.

23 **42-64.21-8. Reporting requirements.** -- (a) By September 1, 2016 and each year
24 thereafter, the commerce corporation shall report the name, address, and incentive amount of each
25 agreement entered into during the previous state fiscal year to the division of taxation.

26 (b) By December 1, 2016 and each year thereafter, the division of taxation shall provide
27 the governor with the sum, if any, to be appropriated to fund the program. The governor shall
28 submit to the general assembly printed copies of a budget including the total of the sums, if any,
29 as part of the governor's budget required to be appropriated for the program created under this
30 chapter.

31 (c) By January 1, 2017 and each year thereafter, the commerce corporation shall report to
32 governor, the speaker of the house, the president of the senate, the chairpersons of the house and
33 senate finance committees, and the house and senate fiscal advisors the address and incentive
34 amount of each agreement entered into during the previous state fiscal year as well as any

1 determination regarding the measurable impact of each and every agreement on the retention and
2 expansion of existing jobs, stimulation of the creation of new jobs, attraction of new business and
3 industry to the state, and stimulation of growth in real estate developments and/or businesses that
4 are prepared to make meaningful investment and foster job creation in the state.

5 **42-64.21-9. Sunset.** -- The commerce corporation shall enter into no agreement under
6 this chapter after December 31, 2018.

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

9 CHAPTER 64.22

10 TAX STABILIZATION INCENTIVE

11 **42-64.22-1. Findings and declarations.** -- The general assembly finds and declares:

12 (a) The general assembly seeks to enact several economic stimulus laws to assist Rhode
13 Island businesses and municipalities, including legislation providing incentives to encourage
14 economic and real estate development and to create jobs throughout this state.

15 (b) In order to encourage this economic growth, the general assembly seeks to enhance
16 and strengthen several of the current statutes governing economic development in this state. The
17 general assembly's goal is to create an economic stimulus program to promote development and
18 growth and address the economic challenges currently impacting the State and local
19 municipalities.

20 **42-64.22-2. Definitions.** -- As used in this chapter:

21 (1) "Adaptive reuse" means the conversion of an existing structure from the use for which
22 it was constructed to a new use by maintaining elements of the structure and adapting such
23 elements to a new use.

24 (2) "Affiliate" means an entity that directly or indirectly controls, is under common
25 control with, or is controlled by the business. Control exists in all cases in which the entity is a
26 member of a controlled group of corporations as defined pursuant to § 1563 of the Internal
27 Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of
28 organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the
29 Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and
30 convincing evidence, as determined by the tax administrator, that control exists in situations
31 involving lesser percentages of ownership than required by those statutes. An affiliate of a
32 business may contribute to meeting either the capital investment or full-time employee
33 requirements of a business that applies for a credit under general laws § 46-64.20-5.

34 (3) "Affordable housing" means housing for sale or rent with combined rental costs or

1 combined mortgage loan debt services, property taxes, and required insurance that do not exceed
2 thirty percent (30%) of the gross annual income of a household earning up to eighty percent
3 (80%) of the Providence-Fall River, RI-MA metropolitan area median income, as defined
4 annually by the United States Department of Housing and Urban Development.

5 (4) "Applicant" means a qualifying community or hope community applying for
6 incentives under this chapter.

7 (5) "Business" means a corporation as defined in general laws § 44-1-1(4), or a
8 partnership, an S corporation, a non-profit corporation, a sole proprietorship, or a limited liability
9 corporation. A business shall include an affiliate of the business if that business applies for a
10 credit based upon any capital investment made by an affiliate.

11 (6) "Capital investment" in a qualified project means expenses by a business or any
12 affiliate of the business incurred after application for:

13 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
14 furnishing on real property or of a building, structure, facility, or improvement to real property;
15 and/or

16 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment,
17 including but not limited to material goods for the operation of a business on real property or in a
18 building, structure, facility, or improvement to real property.

19 In addition to the foregoing, if a business acquires or leases a qualified business facility,
20 the capital investment made or acquired by the seller or owner, as the case may be, if pertaining
21 primarily to the premises of the qualified business facility, shall be considered a capital
22 investment by the business and, if pertaining generally to the qualified business facility being
23 acquired or leased, shall be allocated to the premises of the qualified business facility on the basis
24 of the gross leasable area of the premises in relation to the total gross leasable area in the
25 qualified business facility. The capital investment described herein may include any capital
26 investment made or acquired within twenty-four (24) months prior to the date of application so
27 long as the amount of capital investment made or acquired by the business, any affiliate of the
28 business, or any owner after the date of application equals at least fifty percent (50%) of the
29 amount of capital investment, allocated to the premises of the qualified business facility being
30 acquired or leased on the basis of the gross leasable area of such premises in relation to the total
31 gross leasable area in the qualified business facility made or acquired prior to the date of
32 application.

33 (3) "Certified historic structure" means a property which is located in the state of Rhode
34 Island and is

1 (i) Listed individually on the national register of historic places; or
2 (ii) Listed individually in the state register of historic places; or
3 (iii) Located in a registered historic district and certified by either the commission or
4 Secretary of the Interior as being of historic significance to the district.

5 (4) "Commerce corporation" means the Rhode Island commerce corporation established
6 pursuant to general laws § 42-64-1 et. seq.

7 (5) "Commercial" means non-residential development.

8 (6) "Developer" means a person, firm, corporation, partnership, association, political
9 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
10 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves
11 land or existing structures, which division, building, or improvement qualifies for benefits under
12 this chapter.

13 (7) "Development" means the improvement of land through the carrying out of building,
14 engineering, or other operations in, on, over, or under land, or the making of any material change
15 in the use of any buildings or land for the purposes of accommodating land uses.

16 (8) "Eligibility period" means the period in which a qualified community and/or Hope
17 Community may apply for reimbursement under this chapter. The eligibility period shall be
18 subject to the term defined in the qualifying tax stabilization agreement granted by said
19 community. The amounts subject to reimbursement shall cease upon any termination or cessation
20 of the underlying qualified tax stabilization agreement.

21 (9) "Forgone tax revenue" means the amount of revenue that a municipality would have
22 received from a qualifying project had a tax stabilization agreement not been in place, less the
23 amount of revenue the municipality would be expected to receive from that qualifying project
24 with a tax stabilization agreement in place.

25 (10) "Full-time job" means a position for which a person is employed by a business for
26 consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other
27 standard of service generally accepted by custom or practice as full-time employment, or who is
28 employed by a professional employer organization pursuant to an employee leasing agreement
29 between the business and the professional employer organization for a minimum of thirty-five
30 (35) hours per week, or who renders any other standard of service generally accepted by custom
31 or practice as full-time employment, and whose wages are subject to withholding.

32 (11) "Hope community" means a municipality for which the five (5) year average
33 percentage of families with income below the federal poverty level exceeds the state five (5) year
34 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau

1 of the Census.

2 (12) "Project" means qualified development project as defined under subsection (12) of
3 this chapter.

4 (13) "Project cost" means the costs incurred in connection with the qualified development
5 by the applicant until the issuance of a permanent certificate of occupancy, or until such other
6 time specified by the commerce corporation, for a specific investment or improvement, as defined
7 through rules and regulations promulgated by the commerce corporation.

8 (14) "Recognized historical structure" means a property which is located in the state of
9 Rhode Island and is commonly considered to be of historic or cultural significance as determined
10 by the commerce corporation in consultation with the state historic preservation officer.

11 (15) "Qualifying communities" are those municipalities within the state that are not
12 defined as a hope community.

13 (16) "Qualified development project" includes:

14 (i) Rehabilitation of an existing structure where total cost of development budget exceeds
15 fifty percent (50%) of adjusted basis in such a qualifying property as of the date that the parties
16 applied for said qualifying tax stabilization agreement; or

17 (ii) Construction of a new building wherein:

18 (a) The subject community has issued a tax stabilization agreement, as set forth herein
19 and pursuant to § 44-3-9 of the general laws as well as other applicable rules, regulations and,
20 procedures;

21 (b) Construction commences within twelve (12) months of the subject tax stabilization
22 agreement being approved; and

23 (c) Completion of the proposed development project occurs within thirty six (36) months,
24 subject to the approval of qualifying or hope communities.

25 (17) "Qualifying property" means any building or structure used or intended to be used
26 essentially for offices or commercial enterprises or residential purposes.

27 (18) "Qualifying tax stabilization agreement" are those tax stabilization agreements with
28 a minimum term of twelve (12) years, granted by a qualified and/or hope community in
29 connection with a qualifying project.

30 (19) "Workforce housing" means housing for sale or rent with combined rental costs or
31 combined mortgage loan debt services, property taxes, and required insurance that do not exceed
32 thirty percent (30%) of the gross annual income of a household earning between eighty percent
33 (80%) and one hundred and forty percent (140%) of the Providence-Fall River, RI-MA
34 metropolitan area median income, as defined annually by the United States Department of

1 Housing and Urban Development.

2 **42-64.22-3. Establishment of program.** -- (a) The Tax Stabilization Incentive Program
3 is hereby created to provide incentives to Rhode Island municipalities to enter into qualifying
4 property tax stabilization agreements in connection with qualifying projects set forth herein.

5 (b) Under the program, qualified and Hope Communities in the state of Rhode Island that
6 grant qualifying tax stabilization agreements, subject to the provisions of § 44-3-9 of the Rhode
7 Island general laws, in connection with a qualifying project, may apply to the commerce
8 corporation for certification for partial reimbursement of the amount of real estate taxes and/or
9 personal property taxes that would have otherwise been paid had the qualified and/or hope
10 communities not granted said tax stabilization agreement.

11 **42-64.22-4. Incentives for municipalities.** -- The qualifying community or hope
12 community grants a qualifying tax stabilization agreement in connection with a qualifying
13 project, upon certification by the commerce corporation and subject to availability of
14 appropriated funds, the commerce corporation shall provide a partial reimbursement of no more
15 than ten percent (10%) of the qualified community and/or hope community's forgone tax revenue.
16 The qualification for reimbursement shall cease upon any termination or cessation of the
17 underlying tax stabilization agreement or upon exhaustion of funds appropriated pursuant to this
18 section.

19 **42-64.22-5. Eligibility requirements for qualifying communities.** -- In order for a
20 qualifying community to be eligible to receive incentives under this chapter, in addition to the
21 provisions set forth herein, the tax stabilization agreement must be for a qualified development
22 project resulting in the creation of at least fifty (50) new full-time jobs, and the developer must
23 commit a capital investment of not less than ten million dollars (\$10,000,000.00) towards the
24 project cost.

25 **42-64.22-6. Eligibility requirements for hope communities.** -- In order for a hope
26 community to be eligible to receive incentives under this chapter, in addition to the provisions set
27 forth herein, the tax stabilization agreement must be for a qualified development project resulting
28 in the creation of at least twenty-five (25) new full-time jobs, and the developer must commit a
29 capital investment of not less than five million dollars (\$5,000,000.00) towards the project cost.

30 **42-64.22-7. Alternative eligibility requirements.** -- (a) Qualified communities may
31 receive incentives under this chapter, where the tax stabilization agreement is for a qualified
32 development project involving an adaptive reuse of a recognized historical structure or results in
33 the creation of at least twenty (20) units of residential housing; provided that at least twenty
34 percent (20%) of the residential units are for affordable or workforce housing.

1 (b) Qualified communities may receive incentives under this chapter, where the tax
2 stabilization agreement is for a qualified development project involving an adaptive reuse of a
3 certified historic structure, if such qualified development project:

4 (i) Has been certified by the state historic preservation officer that the adaptive reuse will
5 be consistent with the standards of the Secretary of the United States Department of the Interior
6 for rehabilitation; and

7 (ii) Results in the creation of at least twenty (20) units of residential housing; provided
8 that at least twenty percent (20%) of the residential units are for affordable or workforce housing.

9 (c) Hope communities may receive incentives under this chapter, where the tax
10 stabilization agreement for a qualified development project results in the creation of at least
11 twenty (20) units of residential housing.

12 **42-64.22-8. Reimbursement.** -- The aggregate value of all reimbursements approved by
13 the commerce corporation pursuant to this chapter during the eligibility period shall not exceed
14 the lesser of ten (10%) percent of the qualifying and/or hope communities' forgone tax revenue or
15 annual appropriations received by the commerce corporation for the program.

16 **42-64.22-9. Applicability.** -- The amounts subject to reimbursement under this chapter
17 shall apply to any real and/or personal property tax abatement provided pursuant to a tax
18 stabilization agreement, granted pursuant to § 44-3-9 of the general laws, after January 1, 2015.
19 The amounts subject to reimbursement shall also include any reduction in the then current real
20 property taxes and/or personal property taxes, as well as a reduction in the prospective amounts
21 that would be due in connection with the completion of the qualifying project.

22 **42-64.22-10. Approval.** -- The commerce corporation's approval of reimbursement to the
23 qualifying or hope communities may be made in accordance with or conditional upon the
24 conditions set forth under § 44-3-9 of the general laws and other guidelines, criteria, and priorities
25 that may be adopted by the commerce corporation. In order to distribute funds under the chapter,
26 the commerce corporation shall enter into an agreement with the community setting forth the
27 terms of the reimbursements subject hereto. The commerce corporation may require communities
28 to provide reports and documentation regarding any reimbursements provided under this chapter.

29 **42-64.22-11. Restrictions.** -- Nothing in this section shall be construed to interfere,
30 restrict or prevent any qualifying community or hope community from granting tax stabilization
31 agreements pursuant to § 44-3-9 of the general laws or other applicable sections of title 44 of the
32 general laws.

33 **42-64.22-12. Implementation guidelines, directives, criteria, rules, regulations.** -- (a)
34 The commerce corporation shall establish further guidelines, directives, criteria, rules and

1 regulations in regards to the implementation of this chapter.

2 (b) The adoption and implementation of rules and regulations shall be made pursuant to §
3 42-35-3 of the general laws as are necessary for the implementation of the commerce
4 corporation's responsibilities under this chapter.

5 **42-64.22-13. Program integrity.** -- Program integrity being of paramount importance,
6 the commerce corporation shall establish procedures to ensure ongoing compliance with the terms
7 and conditions of the program established herein, including procedures to safeguard the
8 expenditure of public funds and to ensure that the funds further the objectives of the program.

9 **42-64.22-14. Report requirements.** -- (a) By September 1, 2016 and each year
10 thereafter, the commerce corporation shall report the name, address, and amount of each
11 stabilization agreement entered into during the previous state fiscal year to the division of
12 taxation.

13 (b) By December 1, 2016 and each year thereafter, the division of taxation shall provide
14 the governor with the sum, if any, to be appropriated to fund the program. The governor shall
15 submit to the general assembly printed copies of a budget including the total of the sums, if any,
16 as part of the governor's budget required to be appropriated for the program created under this
17 chapter.

18 **42-64.22-15. Sunset.** -- The commerce corporation shall enter into no agreement under
19 this chapter after December 31, 2018.

20 SECTION 6. Title 42 of the General Laws entitled "STATE AFFAIRS AND
21 GOVERNMENT" is hereby amended by adding thereto the following chapter:

22 CHAPTER 64.23

23 FIRST WAVE CLOSING FUND

24 **42-64.23-1. Short title.** -- This chapter shall be known as the "First Wave Closing Fund
25 Act."

26 **42-64.23-2. Legislative findings.** -- The general assembly finds and declares: (a) It is
27 hereby found and declared that due to long-term and short-term stagnant or declining economic
28 trends in Rhode Island, businesses in the state have found it difficult to make investments that
29 would stimulate economic activity and create new jobs for the citizens of the state. Moreover,
30 such economic trends have caused business closures or out-of-state business relocations, while
31 other out-of-state businesses are deterred from relocating to this state. This situation has
32 contributed to a high rate of unemployment in the state. Consequently, a need exists to promote
33 the retention and expansion of existing jobs, stimulate the creation of new jobs, attract new
34 business and industry to the state, and stimulate growth in real estate developments and/or

1 businesses that are prepared to make meaningful investments and foster job creation in Rhode
2 Island.

3 (b) Through the establishment of a first wave closing fund, Rhode Island can take steps to
4 stimulate business development; retain and attract new business and industry to the state; create
5 good-paying jobs for its residents; assist with business, commercial, and industrial real estate
6 development; and generate revenues for necessary state and local governmental services.

7 **42-64.23-3. Definitions.** -- As used in this chapter:

8 (1) "Affiliate" means an entity that directly or indirectly controls, is under common
9 control with, or is controlled by the business. Control exists in all cases in which the entity is a
10 member of a controlled group of corporations as defined pursuant to § 1563 of the Internal
11 Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of
12 organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the
13 Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and
14 convincing evidence, as determined by the commerce corporation in its sole discretion, that
15 control exists in situations involving lesser percentages of ownership than required by those
16 statutes. An affiliate of a business may contribute to meeting full-time employee requirements of
17 a business that applies for a credit under this chapter.

18 (2) "Applicant" means a business applying for assistance under this chapter.

19 (3) "Business" means a corporation as defined in general laws § 44-1-1(4), or is a
20 partnership, an S corporation, a non-profit corporation, a sole proprietorship or a limited liability
21 company.

22 (4) "Investment" in a development project means expenses by a business or any affiliate
23 incurred after application including, but without limitation, for:

24 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
25 furnishing on real property or of a building, structure, facility, or improvement to real property;
26 and/or

27 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment,
28 including but not limited to material goods for the operation of a business on real property or in a
29 building, structure, facility, or improvement to real property.

30 (5) "Commerce corporation" means the Rhode Island commerce corporation established
31 by general laws § 42-64-1 et. seq.

32 (6) "Developer" means a person, firm, corporation, partnership, association, political
33 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
34 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves

1 land or existing structures, which division, building, or improvement of land qualifies for benefits
2 under this chapter.

3 (7) "Development" means the improvement of land through the carrying out of building,
4 engineering, or other operations in, on, over, or under land, or the making of any material change
5 in the use of any buildings or land for the purposes of accommodating land uses.

6 (8) "Development project" means a real estate based development or other investment.

7 (9) "Full-time employee" means a person who is employed by a business for
8 consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other
9 standard of service generally accepted by custom or practice as full-time employment, or who is
10 employed by a professional employer organization pursuant to an employee leasing agreement
11 between the business and the professional employer organization for a minimum of thirty-five
12 (35) hours per week, or who renders any other standard of service generally accepted by custom
13 or practice as full-time employment, and whose wages are subject to withholding.

14 (9) "Project cost" means the costs incurred in connection with a project by an applicant
15 until the issuance of a permanent certificate of occupancy, or until such other time specified by
16 the commerce corporation.

17 (10) "Project financing gap" means

18 (i) The part of the total project cost that remains to be financed after all other sources of
19 capital have been accounted for (such sources will include, but not be limited to, developer-
20 contributed capital), which shall be defined through rules and regulations promulgated by the
21 commerce corporation, or

22 (ii) The amount of funds that the state may invest in a project to gain a competitive
23 advantage over a viable and comparable location in another state by means described in this
24 chapter.

25 **42-64.23-4. Establishment of fund; Purposes; Composition. --** (a) There is hereby
26 established the first wave closing fund (the "Fund") to be administered by the commerce
27 corporation as set forth in this chapter.

28 (b) The purpose of the fund is to provide lynchpin financing unavailable from other
29 sources, bringing to closure transactions that are of a critical or catalytic nature for Rhode Island's
30 economy and communities.

31 (c) The fund shall consist of:

32 (1) Money appropriated in the state budget to the fund;

33 (2) Money made available to the fund through federal programs or private contributions;

34 (3) Repayments of principal and interest from loans made from the fund;

1 (4) Proceeds from the sale, disposition, lease, or rental of collateral related to financial
2 assistance provided under this chapter;

3 (5) Application or other fees paid to the fund to process requests for financial assistance;

4 (6) Recovery made by the commerce corporation, or the sale of an appreciated asset in
5 which the commerce corporation has acquired an interest under this chapter; and

6 (7) Any other money made available to the fund.

7 **42-64.23-5. Powers of commerce corporation.** -- (a) The commerce corporation board
8 shall promulgate regulations setting forth criteria for approving awards under the fund and such
9 criteria shall ensure that awards from the fund are economically advantageous to the citizens of
10 Rhode Island. To qualify for the benefits of this chapter, an applicant shall submit an application
11 to the commerce corporation. Upon receipt of a proper application from an applicant, the
12 commerce corporation board may approve a loan, a conditional grant or other investment. In
13 making each award, the commerce corporation shall consider, among other factors, the:

14 (1) Economic impact of the project, including costs and benefits to the state;

15 (2) The amount of the project financing gap;

16 (3) Strategic importance of the project to the state, region, or locality;

17 (4) Quality and number of jobs produced;

18 (5) Quality of industry and project; and

19 (6) Competitive offers regarding the project from another state or country.

20 (b) The proceeds of the funding approved by the commerce corporation under this
21 chapter may be used for (1) working capital, equipment, furnishings, fixtures; (2) the
22 construction, rehabilitation, purchase of real property; (3) as permanent financing; or (4) such
23 other purposes that the commerce corporation approves.

24 (c) The commerce corporation shall have no obligation to make any award or grant any
25 benefits under this chapter.

26 (d) The commerce corporation shall publish a report on the fund at the end of each fiscal
27 year. The report shall contain information on the commitment, disbursement, and use of funds
28 allocated under the Fund. The report shall also, to the extent practicable, track the economic
29 impact of projects that have been completed using the fund. The report is due no later than sixty
30 (60) days after the end of the fiscal year, and shall be provided to the speaker of the house of
31 representatives and the president of the senate.

32 **42-64.23-6. Implementation guidelines, directives, criteria, rules, regulations.** -- The
33 commerce corporation may adopt implementation guidelines, directives, criteria, rules and
34 regulations pursuant to § 42-35-3 of the General Laws as are necessary for the implementation

1 and administration of the fund.

2 **42-64.23-7. Program integrity.** -- Program integrity being of paramount importance, the
3 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
4 and conditions of the program established herein, including procedures to safeguard the
5 expenditure of public funds and to ensure that the funds further the objectives of the program.

6 **42-64.23-8. Sunset.** -- No financing shall be authorized to be reserved pursuant to this
7 chapter after December 31, 2018.

8 SECTION 7. Title 42 of the General Laws entitled "STATE AFFAIRS AND
9 GOVERNMENT" is hereby amended by adding thereto the following chapter:

10 CHAPTER 64.24

11 I-195 REDEVELOPMENT PROJECT FUND

12 **42-64.24-1. Short title.** -- This chapter shall be known as the "I-195 Redevelopment
13 Project Fund Act."

14 **42-64.24-2. Legislative findings.** -- The general assembly finds and declares:

15 (a) That due to global economic trends, businesses in Rhode Island have found it difficult
16 to invest in development projects and other significant capital investments in and surrounding the
17 I-195 land within the city of Providence. Investment in such projects would stimulate economic
18 activity, facilitate the creation of new jobs for the citizens of the state and promote economic
19 growth and development.

20 (b) Through the establishment of the I-195 redevelopment project fund, Rhode Island can
21 take steps to attract and grow new businesses and industries to and for the state; create good-
22 paying jobs for its residents; assist with business and real estate development; and generate
23 revenues for necessary state and local governmental services.

24 **42-64.24-3. Definitions.** -- As used in this act:

25 (1) "Applicant" means a developer or occupant applying for a loan or conditional loan
26 under this chapter.

27 (2) "Business" means a corporation as defined in general laws § 44-1-1(4), or is a
28 partnership, an S corporation, a non-profit corporation, sole proprietorship or a limited liability
29 corporation.

30 (3) "Capital investment" in a redevelopment project means costs or expenses by a
31 business or any affiliate of the business incurred after application for:

32 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
33 furnishing on real property or of a building, structure, facility, or improvement to real property;

34 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment,

1 including but not limited to material goods for the operation of a business on real property or in a
2 building, structure, facility, or improvement to real property.

3 (4) "Commission" means the I-195 district commission.

4 (6) "Developer" means a person, firm, corporation, partnership, association, political
5 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
6 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves
7 land or existing structures, which division, building, or improvement of land qualifies for benefits
8 under this chapter.

9 (6) "I-195 land" means the surplus land within the city of Providence owned by the I-195
10 district commission and the area within a one-quarter mile radius of the outermost boundary of
11 said surplus land as further delineated by regulation of the commission.

12 (7) "Occupant" means a business as a tenant, owner, or joint venture partner, occupying
13 space pursuant to a lease or other occupancy agreement on the I-195 land or a project developed
14 on such land.

15 (8) "Personal property" means furniture, fixtures and equipment, except automobiles,
16 trucks or other motor vehicles, or materials that otherwise are depreciable and have a useful life
17 of one year or more, that are utilized for the redevelopment project for any given phase of the
18 redemption project inclusive of a period not to exceed six (6) months after receipt of a
19 certificate of occupancy for the given phase of the development.

20 (9) "Project cost" means the costs incurred in connection with a project by an applicant
21 until the issuance of a permanent certificate of occupancy, or until such other time specified by
22 the commerce corporation.

23 (10) "Project financing gap" means

24 (i) the part of the total project cost that remains to be financed after all other sources of
25 capital have been accounted for (such sources will include, but not be limited to, developer-
26 contributed capital), which shall be defined through rules and regulations promulgated by the
27 commerce corporation, or

28 (ii) the amount of funds that the state may invest in a project to gain a competitive
29 advantage over a viable and comparable location in another state by means described in this
30 chapter.

31 **42-64.24-4. Establishment of the fund uses and composition.** -- (a) The I-195
32 Redevelopment Project Fund (the "Fund") is hereby established under the jurisdiction of and shall
33 be administered by the commission in order to further the goals set forth in Chapter 42-64.14 of
34 the general laws and to promote, among other purposes, the development and attraction of

1 advanced industries and innovation on and near the I-195 land in order to enhance Rhode Island's
2 economic vitality.

3 (b) The uses of the fund include but are not limited to:

4 (1) Contributing to capital investment requirements for anchor institutions or other
5 catalytic project components chosen in accordance with a vision developed, by the commission
6 for location on the I-195 land, adjacent and proximate parcels;

7 (2) Filling project financing gaps for real estate projects on the I-195 land, adjacent and
8 proximate parcels;

9 (3) Financing land acquisition in areas adjacent to and proximate to the I-195 land
10 including street rights of way and abandonment costs;

11 (4) Financing public infrastructure and public facilities to support or enhance
12 development including, but not limited to, transportation, parks, greenways, performance venues,
13 meeting facilities, community facilities, and public safety precincts.

14 (c) This statute shall not be construed as authorizing expenditure from this fund for the
15 purpose of financing a stadium or other such facility built primarily for sporting activity.

16 (d) The fund shall consist of:

17 (1) Money appropriated in the state budget to the fund;

18 (2) Money made available to the Fund through federal programs or private contributions;

19 (3) Repayments of principal and interest from loans made from the fund;

20 (4) Proceeds from the sale, disposition, lease, or rental of collateral related to financial
21 assistance provided under this chapter;

22 (5) Application or other fees paid to the fund to process requests for financial assistance;

23 (6) Recovery made by the commission or on the sale of an appreciated asset in which the
24 commission has acquired an interest under this chapter; and

25 (7) Any other money made available to the fund.

26 **42-64.24-5. Assistance, Powers of commission, reports. --** (a) An applicant seeking
27 assistance under this chapter shall submit a request to the commission pursuant to an application
28 procedure prescribed by the commission.

29 (b) Any approval for funding under this chapter may only be granted by the commission
30 and shall require the concurrence of the secretary of commerce.

31 (c) The commission may set the terms and conditions for assistance under this chapter.
32 Except as provided in subsection (b) of this section, any decision to grant or deny such assistance
33 lies within the sole discretion of the commission.

34 (d) The commission shall publish a report on the fund at the end of each fiscal year. The

1 report shall contain information on the commitment, disbursement, and use of funds allocated
2 under the fund. The report shall also, to the extent practicable, track the economic impact of
3 projects that have been completed using the fund. The report is due no later than sixty (60) days
4 after the end of the fiscal year, and shall be provided to the speaker of the house of
5 representatives, the president of the senate and the secretary of commerce.

6 **42-64.24-6. Implementation guidelines, directives, criteria, rules, regulations.** -- The
7 commission shall adopt implementation guidelines, directives, criteria, rules and regulations
8 pursuant to § 42-35-3 of the general laws as are necessary for the implementation of the
9 commission's responsibilities under this chapter and impose such fees and charges as are
10 necessary to pay for the administration and implementation of this program.

11 **42-64.24-7. Program integrity.** -- Program integrity being of paramount importance, the
12 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
13 and conditions of the program established herein, including procedures to safeguard the
14 expenditure of public funds and to ensure that the funds further the objectives of the program.

15 **42-64.24-8. Sunset.** -- No funding, credits, or incentives shall be authorized or authorized
16 to be reserved pursuant to this chapter after December 31, 2018.

17 SECTION 8. Title 42 of the General Laws entitled "STATE AFFAIRS AND
18 GOVERNMENT" is hereby amended by adding thereto the following chapter:

19 CHAPTER 64.25

20 SMALL BUSINESS ASSISTANCE PROGRAM

21 **42-64.25-1. Short title.** -- This chapter shall be known as the "Small Business Assistance
22 Program Act."

23 **42-64.25-2. Statement of intent.** -- The general assembly hereby finds and declares that
24 small businesses are the economic backbone of the state and the source of a majority of new jobs.
25 The general assembly further finds that too many such businesses often have difficulty obtaining
26 capital from traditional banking organizations to start up, improve or expand operations.
27 Providing greater access to capital would enable the formation and expansion of small businesses
28 across the state and provide job opportunities to the state's citizens. The purpose of this act is to
29 assist small businesses that encounter difficulty in obtaining adequate credit or adequate terms for
30 such credit. Among the small businesses that this act aims to assist are minority business
31 enterprises and women-owned business enterprises.

32 **42-64.25-3. Establishment of small business capital access fund.** -- The small business
33 capital access fund program is hereby created within the Rhode Island commerce corporation.
34 The commerce corporation is authorized, within available appropriations, to provide direct

1 assistance and/or partner with lending organizations to provide funding for loans to small
2 businesses located in Rhode Island. As used in this chapter, a "small business" means a business
3 that is resident in Rhode Island and employs two hundred (200) or fewer persons. The commerce
4 corporation is authorized, from time to time, to establish rules and regulations for the
5 administration of the program.

6 **42-64.25-4. Qualifications of lending organizations.** -- The commerce corporation may
7 elect to partner with an outside lending organization and authorize that organization to receive
8 and administer program funds. Before partnering with an outside lending organization, the
9 commerce corporation may identify eligible lending organizations through one or more
10 competitive statewide or regional solicitations.

11 **42-64.25-5. Program loan structures.** -- Loan programs shall be structured by the
12 commerce corporation that may include, but not be limited to, the following programs: (a)
13 financing programs for companies that require additional capital outside of conventional senior
14 debt or equity financing channels; (b) direct lending of subordinated and mezzanine debt; (c)
15 collateral support in the form of credit enhancement; (d) pledge of cash collateral accounts to
16 lending institutions to enhance collateral coverage of individual loans; and (e) technical assistance
17 to small businesses.

18 **42-64.25-6. Micro-loan allocation.** -- Notwithstanding anything to the contrary in this
19 chapter, ten percent (10%) of program funds will be allocated to "micro loans" with a principal
20 amount between two thousand dollars and twenty-five thousand dollars. Micro loans will be
21 administered by lending organizations, which will be selected by the commerce corporation on a
22 competitive basis and shall have experience in providing technical and financial assistance to
23 microenterprises.

24 **42-64.25-7. Lending organization reports.** -- Any participating lending organizations
25 shall submit to the commerce corporation annual reports stating the following: the number of
26 program loans made; the amount of program funding used for loans; the use of loan proceeds by
27 the borrowers; the number of jobs created or retained; a description of the economic development
28 generated; the status of each outstanding loan; and such other information as the commerce
29 corporation may require.

30 **42-64.25-8. Audits.** -- The commerce corporation may conduct audits of any
31 participating lending organization in order to ensure compliance with the provisions of this
32 chapter, any regulations promulgated with respect thereto and agreements between the lending
33 organizations and the commerce corporation on all aspects of the use of program funds and
34 program loan transactions. In the event that the commerce corporation finds noncompliance, the

1 commerce corporation may terminate the lending organization's participation in the program.

2 **42-64.25-9. Termination.** -- Upon termination of a lending organization's participation in
3 the program, the lending organization shall return to the commerce corporation, promptly after its
4 demand therefor, an accounting of all program funds received by the lending organization,
5 including a transfer of all currently outstanding loans that were made using program funds.
6 Notwithstanding such termination, the lending organization shall remain liable to the commerce
7 corporation with respect to any unpaid amount due from the lending organization pursuant to the
8 terms of the commerce corporation's provision of funds to the lending organization.

9 **42-64.25-10. Discretion.** -- The commerce corporation shall have no obligation to grant
10 any loan under this chapter or provide any funding to a lending organization.

11 **42-64.25-11. Limitations.** -- (a) The commerce corporation shall not grant any financial
12 commitment from state program funds to any applicant in excess of seven hundred and fifty
13 thousand (\$750,000) dollars under this program.

14 (b) The commerce corporation shall have no authority to award grants except to technical
15 assistance providers under this program.

16 **42-64.25-12. Reporting requirements.** -- The commerce corporation shall publish a
17 report on the small business capital access fund at the end of each fiscal year. The report shall
18 contain information on the commitment, disbursement, and use of funds allocated under the fund.
19 The report shall also, to the extent practicable, track the economic impact of projects that have
20 been completed using the fund. The report is due no later than sixty (60) days after the end of the
21 fiscal year, and shall be provided to the speaker of the house of representatives and the president
22 of the senate.

23 **42-64.25-13. Program integrity.** -- Program integrity being of paramount importance,
24 the commerce corporation shall establish procedures to ensure ongoing compliance with the terms
25 and conditions of the program established herein, including procedures to safeguard the
26 expenditure of public funds and to ensure that the funds further the objectives of the program.

27 **42-64.25-14. Sunset.** -- No grants, funding, or incentives shall be authorized pursuant to
28 this chapter after December 31, 2018.

29 SECTION 9. Title 42 of the General Laws entitled "STATE AFFAIRS AND
30 GOVERNMENT" is hereby amended by adding thereto the following chapter:

31 CHAPTER 64.20

32 STAY INVESTED IN RI WAVEMAKER FELLOWSHIP

33 **42-64.20-1. Short title.** -- This chapter shall be known as the "Stay Invested in RI
34 Wavemaker Fellowship."

1 **42-64.20-2. Legislative findings. -- The general assembly finds and declares:**

2 (1) A well-educated citizenry is critical to this state's ability to compete in the national
3 and global economies.

4 (2) Higher education both benefits individual students and is a public good benefitting the
5 state as a whole.

6 (3) Excessive student loan debt is impeding economic growth in this state. Faced with
7 excessive repayment burdens, many individuals are unable to start businesses, invest or buy
8 homes, and may be forced to leave the state in search of higher paying jobs elsewhere.

9 (4) Relieving student loan debt would give these individuals greater control over their
10 earnings, would increase entrepreneurship and demand for goods and services, and would enable
11 employers in this state to recruit and retain graduates in the fields of science, technology,
12 engineering and mathematics.

13 (5) The Stay Invested in RI Wavemaker Fellowship is designed to achieve the following
14 goals:

15 (i) Promote economic opportunity for people in this state by ensuring access to the
16 training and higher education that higher-paying jobs require;

17 (ii) Bring more and higher-paying jobs to this state by increasing the skill level of this
18 state's workforce;

19 (iii) Offer educational opportunity and retraining to individuals impacted by job loss,
20 workplace injury, disability or other hardship;

21 (iv) Keep young people in the state through incentives for educational opportunity and
22 creation of more high-paying jobs;

23 (v) Encourage an entrepreneurial economy in Rhode Island; and

24 (vi) Accomplish all of the goals in this chapter with as little bureaucracy as possible.

25 **42-64.20-3. Definitions. -- As used in this chapter:**

26 (1) "Eligible graduate" means an individual who meets the eligibility requirements under
27 this chapter.

28 (2) "Applicant" means an eligible graduate who applies for a tax credit for education loan
29 repayment expenses under this chapter.

30 (3) "Award" means a tax credit awarded by the commerce corporation to an applicant as
31 provided under this chapter.

32 (4) "Taxpayer" means an applicant who receives a tax credit under this chapter.

33 (5) "Commerce corporation" means the Rhode Island commerce corporation established
34 pursuant to chapter 64 of title 42.

1 (6) "Eligible expenses" or "education loan repayment expenses" means annual higher
2 education loan repayment expenses, including, without limitation, principal, interest and fees, as
3 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
4 repay for attendance at a post-secondary institution of higher learning.

5 (7) "Eligibility period" means a term of up to four (4) consecutive service periods
6 beginning with the date that an eligible graduate receives initial notice of award under this
7 chapter and expiring at the conclusion of the fourth service period after such date specified.

8 (8) "Eligibility requirements" means the following qualifications or criteria required for
9 an applicant to claim an award under this chapter:

10 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year
11 or graduate post-secondary institution of higher learning with an associate's, bachelor's, graduate,
12 or post-graduate degree and at which the applicant incurred education loan repayment expenses;

13 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer
14 located in this state throughout the eligibility period, whose employment is for work in one or
15 more of the following covered fields: life, natural or environmental sciences; computer,
16 information or software technology; advanced mathematics or finance; engineering; industrial
17 design or other commercially related design field; or medicine or medical device technology; and

18 (9) "Full-time employee" means a person who is employed by a business for
19 consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other
20 standard of service generally accepted by custom or practice as full-time employment, or who is
21 employed by a professional employer organization pursuant to an employee leasing agreement
22 between the business and the professional employer organization for a minimum of thirty-five
23 (35) hours per week, or who renders any other standard of service generally accepted by custom
24 or practice as full-time employment, and whose wages are subject to withholding.

25 (10) "Service period" means a twelve (12) month period beginning on the date that an
26 eligible graduate receives initial notice of award under this chapter.

27 (11) "Student loan" means a loan to an individual by a public authority or private lender
28 to assist the individual to pay for tuition, books, and living expenses in order to attend a post-
29 secondary institution of higher learning.

30 (12) "Rhode Island-based employer" means an employer having a principal place of
31 business or at least fifty-one percent (51%) of its employees located in this state.

32 (13) "Fund" refers to the "Stay Invested in RI Fund" established pursuant to § 42-64.20-4.

33 **42-64.20-4. Establishment of fund; Purposes; Composition. -- (a) There is hereby**
34 **established the "Stay Invested in RI Fund" (the "fund") to be administered by the commerce**

1 corporation as set forth in this chapter.

2 (b) The purpose of the fund is to expand employment opportunities in the state and to
3 retain talented individuals in the state by providing tax credits in relation to education loan
4 repayment expenses to applicants who meet the eligibility requirements under this chapter.

5 (c) The fund shall consist of:

6 (1) Money appropriated in the state budget to the fund;

7 (2) Money made available to the fund through federal programs or private contributions;

8 and

9 (3) Any other money made available to the fund.

10 (d) The fund shall be used to pay for the redemption of tax credits or reimbursement to
11 the state for tax credits applied against a taxpayer's tax liability. The fund shall be exempt from
12 attachment, levy or any other process at law or in equity. The director of the department of
13 revenue shall make a requisition to the commerce corporation for funding during any fiscal year
14 as may be necessary to pay for the redemption of tax credits presented for redemption or to
15 reimburse the state for tax credits applied against a taxpayer's tax liability. The commerce
16 corporation shall pay from the fund such amounts as requested by the director of the department
17 of revenue necessary for redemption or reimbursement in relation to tax credits granted under this
18 chapter.

19 **42-64.20-5. Administration.** -- (a) Application.-- An eligible graduate claiming an award
20 under this chapter shall submit to the commerce corporation an application in the manner that the
21 commerce corporation shall prescribe.

22 (b) Upon receipt of a proper application from an applicant who meets all of the eligibility
23 requirements, the commerce corporation shall select applicants on a competitive basis to receive
24 credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for
25 an associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six
26 thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the
27 education loan repayment expenses incurred by such taxpayer during each service period
28 completed, for up to four (4) consecutive service periods provided that the taxpayer continues to
29 meet the eligibility requirements throughout the eligibility period. The commerce corporation
30 shall delegate the selection of the applicants that are to receive awards to a fellowship committee
31 to be convened by the commerce corporation and promulgate the selection procedures the
32 fellowship committee will use, which procedures shall require that the committee's consideration
33 of applications be conducted on a name-blind and employer-blind basis and that the applications
34 and other supporting documents received or reviewed by the fellowship committee shall be

1 redacted of the applicant's name, street address, and other personally-identifying information as
2 well as the applicant's employer's name, street address, and other employer-identifying
3 information. The commerce corporation shall determine the composition of the fellowship
4 committee and the selection procedures it will use in consultation with the state's chambers of
5 commerce.

6 (c) The credits awarded under this chapter shall not exceed one hundred percent (100%)
7 of the education loan repayment expenses incurred by such taxpayer during each service period
8 completed for up to four (4) consecutive service periods. Tax credits shall be issued annually to
9 the taxpayer upon proof that (i) the taxpayer has actually incurred and paid such education loan
10 repayment expenses; (ii) the taxpayer continues to meet the eligibility requirements throughout
11 the service period; (iii) The award shall not exceed the original loan amount plus any capitalized
12 interest less award previously claimed under this section; and (iv) that the taxpayer claiming an
13 award is current on his or her student loan repayment obligations.

14 (d) The commerce corporation shall not commit to overall awards in excess of the
15 amount contained in the fund. The commerce corporation shall not issue initial award notices in
16 any calendar year committing to awards in excess of twenty-five percent (25%) of the fund for a
17 calendar year in order to provide that taxpayers may receive awards for up to four (4) consecutive
18 service periods as provided in this chapter.

19 (e) The commerce corporation shall reserve seventy percent (70%) of the awards issued
20 in a calendar year to applicants who are permanent residents of the state of Rhode Island or who
21 attended an institution of higher education located in Rhode Island when they incurred the
22 education loan expenses to be repaid.

23 (f) In administering award, the commerce corporation shall:

24 (1) Require suitable proof that an applicant meets the eligibility requirements for award
25 under this chapter;

26 (2) Determine the contents of applications and other materials to be submitted in support
27 of an application for award under this chapter; and

28 (3) Collect reports and other information during the eligibility period for each award to
29 verify that a taxpayer continues to meet the eligibility requirements for an award.

30 **42-64.20-6. Reporting.** -- (a) The commerce corporation shall require taxpayers to
31 submit annual reports, in such form and on such dates as the commerce corporation shall require,
32 in order to confirm that the taxpayer continues to meet all of the eligibility requirements of this
33 chapter and as a prerequisite to funding any award of tax credits under this chapter.

34 (b) Notwithstanding any other provision of law, no taxpayer shall receive an award

1 without first consenting to the public disclosure of the receipt of any award given under this
2 chapter. The commerce corporation shall annually publish a list of taxpayers receiving awards
3 under this program, their post-secondary institution of higher learning, and their employer on the
4 commerce corporation website and in such other locations as it deems appropriate.

5 **42-64.20-7. Remedies.** -- (a) If an eligible graduate receiving an award under this chapter
6 violates any provision of this chapter or ceases to meet the eligibility requirements of this chapter,
7 the commerce corporation may, on reasonable notice:

8 (1) Withhold further award until the taxpayer complies with the eligibility or other
9 requirements of the award; or

10 (2) Terminate the award.

11 **42-64.26-8. Carry forward and redemption of tax credits.** -- (a) If the amount of the
12 tax credit allowed under this chapter exceeds the taxpayer's total tax liability for the year in
13 which the credit is allowed, the amount of such credit that exceeds the taxpayer's tax liability
14 may be carried forward and applied against the taxes imposed for the succeeding four (4) years,
15 or until the full credit is used, whichever occurs first.

16 (b) The tax credit allowed under this chapter may be used as a credit against personal
17 income taxes imposed under chapter 30 of title 44.

18 (c) The division of taxation shall at the request of a taxpayer redeem such credits in
19 whole or in part for one hundred percent (100%) of the value of the tax credit.

20 (d) Any amounts paid to a taxpayer for the redemption of tax credits allowed pursuant to
21 this section shall be exempt from taxation under title 44 of the General Laws.

22 **42-64.20-9. Implementation guidelines, rules, regulations.** -- (a) The commerce
23 corporation may adopt implementation guidelines, rules, and regulations pursuant to § 42-35-3 as
24 are necessary for the implementation of this chapter.

25 (b) The commerce corporation shall adopt guidelines to assure integrity and eliminate
26 potential conflicts of interest in the issuing of awards.

27 (c) The division of taxation may adopt implementation guidelines, directives, criteria, and
28 rules and regulations pursuant to section 42-35-3 of the General Laws, as are necessary for the
29 implementation of the division's responsibilities under this chapter.

30 **42-64.20-10. Promotion by state agencies.** -- (a) The commerce corporation and any
31 other agencies engaging in education-related outreach shall integrate promotion of the program
32 into existing educational opportunity outreach efforts to the extent possible in a manner consistent
33 with the scope of the program and its centrality to the state's efforts to raise educational
34 attainment, including, without limitation, promoting the program to Rhode Island permanent

1 [residents who enroll in accredited Rhode Island colleges or universities and receive financial aid](#)
2 [in the form of student loans.](#)

3 **42-64.20-11. Program integrity.** -- [Program integrity being of paramount importance,](#)
4 [the commerce corporation shall establish procedures to ensure ongoing compliance with the terms](#)
5 [and conditions of the program established herein and to safeguard the expenditure of public](#)
6 [funds.](#)

7 SECTION 10. Title 42 of the General Laws entitled "STATE AFFAIRS AND
8 GOVERNMENT" is hereby amended by adding thereto the following chapter:

9 [CHAPTER 64.27](#)

10 [MAIN STREET RHODE ISLAND STREETSCAPE IMPROVEMENT FUND](#)

11 **42-64.27-1. Statement of intent.** -- [It is the intention of the general assembly to foster](#)
12 [private-public partnerships in relation to improvement of streetscapes in local business districts](#)
13 [by creating a funding program to stimulate investment in such improvements, thus enhancing the](#)
14 [environment for business and attracting further investment.](#)

15 **42-64.27-2. Fund established.** -- [The main street RI streetscape improvement fund is](#)
16 [hereby created within the Rhode Island commerce corporation. The commerce corporation is](#)
17 [authorized, within available appropriations, to award loans, matching grants, and other forms of](#)
18 [financing to facilitate improvement of streetscapes such as but not limited to \(1\) enhanced](#)
19 [sidewalks, \(2\) new wayfinding signage, \(3\) upgraded building facades, and \(4\) improved street](#)
20 [and public space lighting, in support of creating an attractive environment for small business](#)
21 [development and commerce. Applications and awards of grants or loans shall be on a rolling](#)
22 [basis. There is established an account in the name of the "main street RI streetscape improvement](#)
23 [fund" under the control of the commerce corporation, and the commerce corporation shall pay](#)
24 [into such account any eligible funds available to the commerce corporation from any source,](#)
25 [including funds appropriated by the state and any grants made available by the United States or](#)
26 [any agency of the United States.](#)

27 **42-64.27-3. Rules and regulations.** -- [The commerce corporation is hereby authorized to](#)
28 [promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter,](#)
29 [including the criteria by which grant or loan applications will be judged and awarded.](#)

30 **42-64.27-4. Reporting requirements.** -- [The commerce corporation shall publish a](#)
31 [report on the main street RI streetscape improvement fund at the end of each fiscal year. The](#)
32 [report shall contain information on the commitment, disbursement, and use of funds allocated](#)
33 [under the fund. The report shall also, to the extent practicable, track the economic impact of](#)
34 [projects that have been completed using the fund. The report is due no later than sixty \(60\) days](#)

1 after the end of the fiscal year, and shall be provided to the speaker of the house of
2 representatives and the president of the senate.

3 **42-64.27-5. Program integrity.** -- Program integrity being of paramount importance, the
4 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
5 and conditions of the program established herein, including procedures to safeguard the
6 expenditure of public funds and to ensure that the funds further the objectives of the program.

7 **42-64.27-6. Sunset.** -- No incentives shall be authorized pursuant to this chapter after
8 December 31, 2018.

9 SECTION 11. Title 42 of the General Laws entitled "STATE AFFAIRS AND
10 GOVERNMENT" is hereby amended by adding thereto the following chapter:

11 CHAPTER 64.28

12 INNOVATION INITIATIVE.

13 **42-64.28-1. Legislative findings.** -- (a) While large enterprises have the expert personnel
14 and financial resources to make strategic investments in innovation, few small businesses have
15 the resources to do so. The resulting underinvestment in innovation stunts the growth of Rhode
16 Island's economy, inhibits the potential of small businesses and impedes local universities and
17 other technological resources from providing technological input and other developmental
18 assistance to such small businesses. It is the intention of the general assembly to foster innovation
19 in small businesses and increase demand for technological services by creating an innovation
20 initiative. This initiative will further advance the competitiveness of Rhode Island's companies in
21 the national and global economies and result in the creation and/or retention of jobs and tax
22 revenues for the state.

23 **42-64.28-2. Definitions.** -- As used in this chapter:

24 (1) "Commerce corporation" means the Rhode Island commerce corporation established
25 pursuant to General Laws § 42-64-1 et. seq.

26 (2) "Small business" means a business that is resident in Rhode Island, has its business
27 facility located within the state, and employs five hundred (500) or fewer persons.

28 (3) "Match" shall mean a funding match, or in kind services provided by a third party.

29 (4) "Targeted industry" means any advanced, promising or otherwise prioritized industry
30 identified in the economic development vision and policy promulgated pursuant General Laws §
31 42-64.17-1 or, until such time as any such economic development vision and policy is
32 promulgated, as identified by the commerce corporation.

33 **42-64.28-3. Programs established.** -- (a) The Rhode Island commerce corporation shall
34 establish a voucher program and an innovation network program as provided under this chapter.

1 The programs are subject to available appropriations and such other funding as may be dedicated
2 to the programs.

3 (b) There is established an account in the name of the "innovation initiative fund (the
4 "fund") under the control of the commerce corporation to fund the programs.

5 (1) The fund shall consist of:

6 (i) Money appropriated in the state budget to the fund;

7 (ii) Money made available to the Fund through federal grants, programs or private
8 contributions;

9 (iii) Application or other fees paid to the Fund to process applications for awards under
10 this chapter; and

11 (iv) Any other money made available to the fund.

12 (c) Voucher program –The commerce corporation is authorized, to develop and
13 implement an innovation voucher program to provide financing to small businesses to purchase
14 research and development support or other forms of technical assistance and services from Rhode
15 Island institutions of higher education and other providers.

16 (d) Innovation network program – The commerce corporation is authorized to provide
17 innovation grants to organizations, including non-profit organizations, for-profit organizations,
18 universities, and co-working space operators that offer technical assistance, space on flexible
19 terms, and access to capital to businesses in advanced or targeted industries. The commerce
20 corporation shall only issue grants under this section when those grants are matched by private
21 sector or non-profit partners. The commerce corporation shall establish guidelines for appropriate
22 matching criteria under this section, including necessary matching ratios.

23 **42-64.28-4. Eligible uses. --** (a) Vouchers available under this chapter shall be used for
24 the benefit of small businesses to access technical assistance and other services including, but not
25 limited to, research, technological development, product development, commercialization, market
26 development, technology exploration, and improved business practices that implement strategies
27 to grow business and create operational efficiencies.

28 (b) Matching fund awards shall be used for the benefit of small businesses in industries
29 designated from time-to-time by the corporation, including without limitation, life science and
30 healthcare; food and agriculture; clean technology and energy efficiency; and cyber security to
31 pay for and access technological assistance, to procure space on flexible terms, and to access
32 capital from organizations, including non-profit organizations, for-profit organizations,
33 universities, and co-working space businesses.

34 **42-64.28-5. Qualification. --** To qualify for a voucher or for a matching fund award

1 under this chapter, a business must make application to the commerce corporation, and upon
2 selection, shall enter into an agreement with the commerce corporation. The commerce
3 corporation shall have no obligation to issue any voucher, make any award or grant any benefits
4 under this chapter.

5 **42-64.28-6. Voucher amounts and matching fund awards.** -- (a) Voucher award
6 amounts to a selected applicant shall be determined by the corporation, to be in the minimum
7 amount of five thousand dollars (\$5,000) and the maximum amount of fifty thousand dollars
8 (\$50,000), subject to appropriations or other available moneys in the Fund.

9 (b) Matching fund awards shall be awarded to organizations in an amount approved by
10 the corporation, subject to appropriations or other available moneys in the Fund.

11 **42-64.28-7. Rules and regulations.** -- The commerce corporation is hereby authorized to
12 promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter,
13 including the criteria by which voucher and matching fund applications will be judged, awards
14 will be approved, and vendors of services will be approved.

15 **42-64.28-8. Program integrity.** -- Program integrity being of paramount importance, the
16 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
17 and conditions of the program established herein, including procedures to safeguard the
18 expenditure of public funds and to ensure that the funds further the objectives of the program.

19 **42-64.28-9. Reporting requirements.** -- The commerce corporation shall submit a report
20 annually, no later than sixty (60) days after the end of the fiscal year to the speaker of the house
21 and the president of the senate detailing: (1) the total amount of innovation vouchers and
22 matching funds awarded; (2) the number of innovation vouchers and matching fund awards
23 approved, (3) the amount of each voucher or matching fund award and a description of services
24 purchased; and (4) such other information as the commerce corporation deems necessary.

25 **42-64.28-10. Sunset.** -- No vouchers, grants, or incentives shall be authorized pursuant to
26 this chapter after December 31, 2018.

27 SECTION 12. Title 42 of the General Laws entitled "STATE AFFAIRS AND
28 GOVERNMENT" is hereby amended by adding thereto the following chapter:

29 CHAPTER 64.29

30 INDUSTRY CLUSTER GRANTS

31 **42-64.29-1. Statement of intent.** -- Robust industry clusters – geographic concentrations
32 of interconnected firms and related institutions in a field – drive competitiveness and innovation
33 by fostering dynamic interactions among businesses such as labor force pooling, supplier
34 specialization, collaborative problem solving, technology exchange and knowledge sharing. It is

1 the intention of the general assembly to foster such industry clusters by creating a grant program
2 to stimulate cluster initiatives and enhance industry competitiveness.

3 **42-64.29-2. Fund established.** -- The industry cluster grant fund (the "fund") is hereby
4 created within the Rhode Island commerce corporation. The commerce corporation is authorized,
5 within available appropriations, to award grants to organizations on a competitive basis as more
6 particularly set forth in this chapter. Applications and awards of grants shall be on a rolling basis,
7 and the commerce corporation shall only issue grants up to the amount contained in the fund.
8 There is established an account in the name of the fund under the control of the commerce
9 corporation, and the commerce corporation shall pay into such account any eligible funds
10 available to the commerce corporation from any source, including funds appropriated by the state
11 and any grants made available by the United States Government or any agency of the United
12 States Government.

13 **42-64.29-3. Startup and technical assistance grants.** -- Startup and technical assistance
14 grants of seventy-five thousand dollars to two hundred fifty thousand dollars shall be made
15 available to support activities within the industry cluster that enable collaboration among
16 businesses and other institutions in order to advance innovation and increase sector profitability.
17 Eligible organizations may be regional or statewide in scope and may include, but not solely be
18 composed of, relevant companies or institutions outside of Rhode Island. The commerce
19 corporation shall establish, by regulation, both (a) the criteria for issuing grants under this section;
20 and (b) a process for receiving and reviewing applications for grants under this section.

21 **42-64.29-4. Competitive program grants.** -- (a) Competitive program grants of one
22 hundred thousand dollars to five hundred thousand dollars shall be made available to support
23 activities to overcome identified cluster gaps and documented constraints on cluster growth or to
24 improve clusters' effectiveness. The commerce corporation shall establish, by regulation, both (1)
25 the criteria for issuing competitive program grants under this section; and (2) a process for
26 receiving and reviewing applications for grants under this section. The criteria that the commerce
27 corporation establishes to evaluate applications for grants under this section shall include
28 objective evidence of the entity's organizational capacity, degree of internal acceptance of the
29 proposed program, economic rationale for the proposed activity to be funded and the entity's
30 ability to raise future funds to sustain the activity when the grant has been expended.

31 (b) The commerce corporation shall have no obligation to make any award or grant any
32 benefits under this chapter.

33 **42-64.29-5. Rules and regulations.** -- The commerce corporation is hereby authorized to
34 promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter,

1 including the criteria by which grant applications will be judged and awarded.

2 **42-64.29-6. Program integrity.** -- Program integrity being of paramount importance, the
3 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
4 and conditions of the program established herein, including procedures to safeguard the
5 expenditure of public funds and to ensure that the funds further the objectives of the program.

6 **42-64.29-7. Annual report.** -- (a) The commerce corporation shall submit a report
7 annually on December thirty-first detailing: (1) The total amount of grants awarded; (2) The
8 number of grants awarded; (3) The amount of each grant and the private funds matching such
9 grants; (4) The recipients of the grants; (5) The specific activities undertaken by recipients of
10 grants; and (6) Auch other information as the commerce corporation deems necessary.

11 (b) The report required under subsection (a) of this section is due no later than sixty (60)
12 days after the end of the fiscal year, and shall be provided to the speaker of the house of
13 representatives and the president of the senate.

14 **42-64.29-8. Sunset.** -- No grants or incentives shall be authorized to be reserved pursuant
15 to this chapter after December 31, 2018.

16 SECTION 13. Title 42 of the General Laws entitled "STATE AFFAIRS AND
17 GOVERNMENT" is hereby amended by adding thereto the following chapter:

18 CHAPTER 64.30

19 ANCHOR INSTITUTION TAX CREDIT

20 **42-64.30-1. Short title.** -- This chapter shall be known and may be cited as the "Anchor
21 Institution Tax Credit Act."

22 **42-64.30-2. Statement of intent.** -- It is to the advantage of the state of Rhode Island and
23 its people to attract businesses to locate in Rhode Island thereby increasing the vitality of the
24 Rhode Island economy. It is the intention of the general assembly to give existing Rhode Island
25 businesses an incentive to encourage businesses in their supply chain, service providers or
26 customers to relocate to Rhode Island by giving existing Rhode Island businesses a tax credit
27 when they are able to bring about a business relocation to this state.

28 **42-64.30-3. Definitions.** -- As used in this act:

29 (1) "Commerce corporation" means the Rhode Island commerce corporation established
30 pursuant to general laws § 42-64-1 et. seq.

31 (2) "Eligibility period" means the period in which a Rhode Island business may claim a
32 tax credit under this act, beginning with the tax period in which the commerce corporation
33 accepts certification by the Rhode Island business that it has played a substantial role in the
34 decision of a qualified business to relocate to Rhode Island and extending thereafter for a term of

1 five (5) years.

2 (3) "Hope community" means a municipality for which the five (5) year average
3 percentage of families with income below the federal poverty level exceeds the state five (5) year
4 average percentage, both most recently reported by the U.S. Department of Commerce, Bureau of
5 the Census.

6 (4) "Qualified business" means an entity that supplies goods or services to a Rhode Island
7 business or is a material service provider or a material customer of a Rhode Island business, or is
8 an affiliate of such supplier, service provider or customer.

9 (5) "Qualifying relocation" means a qualified business with the minimum number of
10 employees as set forth in 42-64.30-5(a)(1) and (2), which moves an existing facility to the state of
11 Rhode Island or constructs a new facility to supply goods or services to a Rhode Island business.

12 (6) "Rhode Island business" means a business enterprise physically located in, and
13 authorized to do business in, the state of Rhode Island.

14 (7) "Taking possession" means executing a lease, acquiring title or otherwise committing
15 to occupy as defined by the commerce corporation.

16 **42-64.30-4. Establishment of anchor institution tax credit.** -- The tax credit program is
17 hereby established as a program under the jurisdiction of the commerce corporation and shall be
18 administered by the commerce corporation. The purposes of the program are to encourage
19 economic development and job creation in connection with the relocation of qualified businesses
20 to the state of Rhode Island by providing an incentive to existing Rhode Island businesses to
21 encourage a qualified business to relocate Rhode Island. To implement these purposes, the
22 program may provide tax credits to eligible businesses for a period of five (5) years.

23 **42-64.30-5. Allowance of tax credits.** -- (a) A Rhode Island business, upon application
24 to and approval from the commerce corporation, shall be allowed a credit as set forth hereinafter
25 against taxes imposed under applicable provisions of title 44 of the general laws for having
26 played a substantial role in the decision of a qualified business to relocate a minimum number of
27 jobs as provided below:

28 (1) For the years 2015 through 2018, not less than ten (10) employees to Rhode Island;
29 and

30 (2) For the years 2019 through 2020, not less than twenty-five (25) employees to Rhode
31 Island.

32 (b) To be eligible for the tax credit, an existing Rhode Island business must demonstrate
33 to the commerce corporation, in accordance with regulations promulgated by the commerce
34 corporation, that it played a substantial role in the decision of a qualified business to relocate.

1 (c) If the commerce corporation approves an application, then an eligible Rhode Island
2 business which has procured a qualifying relocation shall be entitled to a tax credit. The amount
3 of the tax credit shall be based upon criteria to be established by the commerce corporation. Such
4 criteria shall include the number of jobs created, types of jobs and compensation, industry sector
5 and whether the relocation benefits a hope community.

6 (d) In determination of the tax credit amount, the commerce corporation may take into
7 account such factors as area broker's fees, the strategic importance of the businesses involved,
8 and the economic return to the state. The tax credits issued under this chapter shall not exceed the
9 funds appropriated for these credit(s).

10 (e) Maximum tax credit. A Rhode Island business qualifying for the tax credit under this
11 chapter shall not be eligible to receive a credit in excess of seventy-five percent (75%) of the
12 amount appropriated in the fiscal year in which the tax credits are issued.

13 (e) Tax credits allowed pursuant to this chapter shall be allowed for the taxable year in
14 which the existing Rhode Island business demonstrates, to the satisfaction of the commerce
15 corporation, both (1) that a certificate of occupancy issues for the project or as of a lease
16 commencement date or other such related commitment; and (2) that the qualified business has
17 created the number of net new jobs required by § 42-64.30-5(a)(1) and (2).

18 (f) The tax credit allowed under this chapter may be used as a credit against corporate
19 income taxes imposed under chapters 11, 12, 13, 14, or 17, of title 44.

20 (g) In the case of a corporation, this credit is only allowed against the tax of a corporation
21 included in a consolidated return that qualifies for the credit and not against the tax of other
22 corporations that may join in the filing of a consolidated tax return.

23 (h) If the existing Rhode Island business has not claimed the tax credit allowed under this
24 chapter in whole or part, the existing Rhode Island business eligible for the tax credit shall, prior
25 to assignment or transfer to a third party, file a request with the division of taxation to redeem the
26 tax credit in whole or in part to the state. Within ninety (90) days from the submission of a
27 request to the division of taxation to redeem the tax credits, the division shall be entitled to
28 redeem the tax credits in exchange for payment by the state to the existing Rhode Island business
29 of (1) one hundred percent (100%) of the value of the portion of the tax credit redeemed, or (2)
30 for tax credits redeemed in whole, one hundred percent (100%) of the total remaining value of the
31 tax credit; provided, however, that the redemption shall be prorated equally over each year of the
32 remaining term of the eligible period of the tax credit.

33 (i) Any redemption under subsection (h) of this section shall be subject to annual
34 appropriation by the general assembly.

1 **42-64.30-6. Administration. --** (a) To be eligible to receive a tax credit authorized by
2 this chapter, an existing Rhode Island business shall apply to the commerce corporation for
3 approval prior to the qualified business commencing a relocation search within the state for a
4 certification that the existing Rhode Island business qualifies for tax credits under this chapter.

5 Such approval shall require:

6 (1) That the qualified business has submitted a completed application as developed by the
7 commerce corporation;

8 (2) That the chief executive officer of the commerce corporation provide written
9 confirmation to the commerce corporation board that (i) the commerce corporation has reviewed
10 the application and any determination regarding the potential impact on the qualified business's
11 ability to promote the retention and expansion of existing jobs, stimulate the creation of new jobs,
12 including good-paying jobs, attract new business and industry to the state, and stimulate growth
13 in real estate developments and/or businesses that are prepared to make meaningful investment
14 and foster job creation in the state; and (ii) of the recommendation of the commerce corporation
15 as to the total credits to be awarded to the applicant; and

16 (3) That the secretary of commerce provide written confirmation to the commerce
17 corporation board that the recommendation of the commerce corporation is consistent with the
18 purposes of this chapter.

19 (b) The commerce corporation and the division of taxation shall be entitled to rely on the
20 facts represented in the application and upon the certification of a certified public accountant
21 licensed in the state of Rhode Island with respect to the requirements of this chapter.

22 (c) The tax credits provided for under this chapter shall be granted at the discretion of the
23 commerce corporation.

24 (d) If information comes to the attention of the commerce corporation at any time up to
25 and including the last day of the eligibility period that is materially inconsistent with
26 representations made in an application, the commerce corporation may deny the requested
27 certification, or revoke a certification previously given, with any processing fees paid to be
28 forfeited.

29 **42-64.30-7. Rules and regulations. --** The commerce corporation is hereby authorized to
30 promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter,
31 including the criteria by which applications for tax credit will be evaluated and approved and to
32 provide for repayment of credits received if the qualified business leaves Rhode Island within a
33 period of time to be established by the commerce corporation. The division of taxation is hereby
34 authorized to promulgate such rules and regulations as are necessary to fulfill the purposes of this

1 chapter.

2 **42-64.30-8. Anchor institution tax credit fund.** -- There is hereby established at the
3 commerce corporation a restricted account known as the Anchor Institution tax credit fund (the
4 "Fund") in which all amounts appropriated for the redemption and/or reimbursement of tax
5 credits under this chapter shall be deposited. The Fund shall be used to pay for the redemption of
6 tax credits or reimbursement to the state for tax credits applied against a taxpayer's liability. The
7 Fund shall be exempt from attachment, levy or any other process at law or in equity. The director
8 of the department of revenue shall make a requisition to the commerce corporation for funding
9 during any fiscal year as may be necessary to pay for the redemption of tax credits presented for
10 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
11 commerce corporation shall pay from the Fund such amounts as requested by the director of the
12 department of revenue necessary for redemption or reimbursement in relation to tax credits
13 granted under this chapter.

14 **42-64.30-9. Program integrity.** -- Program integrity being of paramount importance, the
15 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
16 and conditions of the program established herein, including procedures to safeguard the
17 expenditure of public funds and to ensure that the funds further the objectives of the program.

18 **42-64.30-10. Reports.** -- (a) By September 1, 2016 and each year thereafter, the
19 commerce corporation shall report the name, address, and amount of tax credit approved each
20 credit recipient during the previous state fiscal year to the governor, the speaker of the house of
21 representatives, the president of the senate, the chairpersons of the house and senate finance
22 committees, the house and senate fiscal advisors, and the department of revenue. Such report
23 shall include any determination regarding the potential impact on an approved qualified
24 relocation's ability to stimulate business development; retain and attract new business and
25 industry to the state; create good-paying jobs for its residents; assist with business, commercial,
26 and industrial real estate development; and generate revenues for necessary state and local
27 governmental services.

28 (b) By October 1, 2016 and each year thereafter, the commerce corporation shall report
29 for the year previous the total number of agreements and associated amount of approved tax
30 credits. This report shall be available to the public for inspection by any person and shall be
31 published by the commerce corporation on its website and by the secretary of commerce on the
32 executive office of commerce website.

33 (c) By October 1st of each year the division of taxation shall report the name, address,
34 and amount of tax credit received for each credit recipient during the previous state fiscal year to

1 [the governor, the chairpersons of the house and senate finance committees, the house and senate](#)
2 [fiscal advisors, and the department of labor and training.](#)

3 **42-64.30-11. Sunset.** -- [No credits shall be authorized to be reserved pursuant to this](#)
4 [chapter after December 31, 2018.](#)

5 SECTION 14. Section 42-64.16-2 of the General Laws in Chapter 42-64.16 entitled "The
6 Innovate Rhode Island Small Business Program" is hereby amended to read as follows:

7 **42-64.16-2. Establishment of matching funds program.** -- (a) There is established the
8 Rhode Island SBIR/STTR Matching Funds Program to be administered by STAC. In order to
9 foster job creation and economic development in the state, STAC may provide grants to eligible
10 businesses to match funds received by a business as a SBIR or STTR Phase I [or II](#) award, ~~loans to~~
11 ~~eligible businesses to match funds received by a business as a SBIR or STTR Phase II award,~~ and
12 to encourage businesses to apply for further ~~Phase II and Phase III~~ [SBIR or STTR](#) awards,
13 ~~respectively~~ [and commercialize their technology and research.](#)

14 (b) Eligibility. - In order to be eligible for a grant under this section, a business must
15 satisfy all of the following conditions:

16 (1) The business must be a for-profit, Rhode Island-based business with fifty (50) or
17 fewer employees. For the purposes of this section, Rhode Island-based business is one that has its
18 principal place of business and at least fifty-one percent (51%) of its employees residing in this
19 state.

20 (2) The business must have received an SBIR/STTR Phase I award from a participating
21 federal agency in response to a specific federal solicitation. To receive the full Phase I matching
22 grant, the business must also have submitted a final Phase I report, demonstrated that the
23 sponsoring agency has interest in the Phase II proposal, and submitted a Phase II proposal to the
24 agency. To receive the full Phase II matching ~~loan~~ [grant](#), the business must also have submitted a
25 final Phase II report, ~~demonstrated that the sponsoring agency has interest in the Phase III~~
26 ~~proposal, and submitted a Phase III proposal to the agency.~~

27 (3) The business must satisfy all federal SBIR/STTR requirements.

28 (4) The business shall not receive concurrent funding support from other sources that
29 duplicates the purpose of this section.

30 (5) For a Phase I [and II](#) matching grant, the business must certify that at least fifty-one
31 percent (51%) of the research described in the federal SBIR/STTR Phase [I, II](#) [and any further](#)
32 [SBIR/STTR proposal proposals and commercialization](#) will be conducted in this state and that the
33 business will remain a Rhode Island-based business for the duration of the SBIR/STTR Phase [I, II](#)
34 [any further SBIR/STTR project projects and commercialization.](#) ~~For a Phase II matching loan, the~~

1 ~~business must certify that at least fifty one percent (51%) of the research described in the federal~~
2 ~~SBIR/STTR Phase III proposal will be conducted in this state and that the business will remain a~~
3 ~~Rhode Island based business for the duration of the SBIR/STTR Phase III project.~~

4 (6) For a Phase I and II matching grant, the business must demonstrate its ability to
5 conduct research in its SBIR/STTR Phase II proposal. ~~For a Phase II matching loan, the business~~
6 ~~must demonstrate its ability to conduct research in its SBIR/STTR Phase III proposal.~~

7 (c) Phase I and II Matching Grant. - STAC may award grants to match the funds
8 received by a business through a SBIR/STTR Phase I or II proposal up to a maximum of ~~one~~
9 ~~hundred thousand dollars (\$100,000)~~ one hundred fifty thousand dollars (\$150,000). Seventy-five
10 percent (75%) of the total grant shall be remitted to the business upon receipt of the SBIR/STTR
11 Phase I or II award and application for funds under this section. Twenty-five percent (25%) of the
12 total grant shall be remitted to the business upon submission by the business of the Phase II
13 application to the funding agency and acceptance of the Phase I or II report by the funding
14 agency. A business may receive only one grant under this section per year. A business may
15 receive only one grant under this section with respect to each federal proposal submission. Over
16 its lifetime, a business may receive a maximum of six (6) awards under this section.

17 ~~(d) Phase II Matching Loan. — STAC may award loans to match the funds received by a~~
18 ~~business through a SBIR/STTR Phase II proposal up to a maximum of three hundred thousand~~
19 ~~dollars (\$300,000) that must be secured by sufficient assets of the business. Seventy five percent~~
20 ~~(75%) of the total loan shall be remitted to the business upon receipt of the SBIR/STTR Phase II~~
21 ~~award and application for funds under this section. Twenty five percent (25%) of the total loan~~
22 ~~shall be remitted to the business upon submission by the business of the Phase III application to~~
23 ~~the funding agency and acceptance of the Phase I report by the funding agency. A business may~~
24 ~~receive only one loan under this section per year. A business may receive only one loan under this~~
25 ~~section with respect to each federal proposal submission. Over its lifetime, a business may receive~~
26 ~~a maximum of six (6) loans under this section.~~

27 ~~(e)~~(d) Application. - A business shall apply, under oath, to STAC for a grant ~~or loan~~
28 under this section on a form prescribed by STAC that includes at least all of the following:

29 (1) The name of the business, the form of business organization under which it is
30 operated, and the names and addresses of the principals or management of the business.

31 (2) For a Phase or II matching grant, an acknowledgement of receipt of the Phase I or II
32 report and Phase II proposal by the relevant federal agency. ~~For a Phase II matching loan, an~~
33 ~~acknowledgement of receipt of the Phase II report and Phase III proposal by the relevant federal~~
34 ~~agency.~~

1 (3) Any other information necessary for STAC to evaluate the application.

2 SECTION 15. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
3 adding thereto the following chapter:

4 CHAPTER 48.3

5 RHODE ISLAND NEW QUALIFIED JOBS INCENTIVE ACT 2015

6 **44-48.3-1. Short title.** -- This chapter shall be known and may be cited as the "Rhode
7 Island Qualified Jobs Incentive Act of 2015."

8 **44-48.3-2. Findings and declaration.** -- (a) It is hereby found and declared that due to
9 long-term and short-term negative economic trends in Rhode Island, businesses in the state have
10 found it difficult to make investments that would stimulate economic activity and create new
11 jobs. This situation has contributed to a rate of unemployment in Rhode Island that is higher than
12 our neighbors and among the highest in the nation. Consequently, a need exists to promote the
13 creation of new jobs, attract new business and industry, and stimulate growth in businesses that
14 are prepared to make meaningful investment and foster job creation in Rhode Island.

15 (b) Through the establishment of a jobs incentive program, Rhode Island can take steps to
16 stimulate business expansion and attraction, create well-paying jobs for its residents, and generate
17 revenues for necessary state and local governmental services.

18 **44-48.3-3. Definitions.** -- As used in this chapter, unless the context clearly indicates
19 otherwise, the following words and phrases shall have the following meanings:

20 (1) "Affiliate" or "affiliated entity" means an entity that directly or indirectly controls, is
21 under common control with, or is controlled by the business. Control exists in all cases in which
22 the entity is a member of an affiliated group of corporations as defined pursuant to § 1504 of the
23 Internal Revenue Code of 1986 (26 U.S.C. §1504) or the entity is an organization in a group of
24 organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the
25 Internal Revenue Code of 1986 (26 U.S.C. §414). A taxpayer may establish by clear and
26 convincing evidence, as determined by the commerce corporation, that control exists in situations
27 involving lesser percentages of ownership than required by those statutes. An affiliate of a
28 business may contribute to meeting full-time employee requirements of a business that applies for
29 a credit under this chapter.

30 (2) "Business" means an applicant that is a corporation, state bank, federal savings bank,
31 trust company, national banking association, bank holding company, loan and investment
32 company, mutual savings bank, credit union, building and loan association, insurance company,
33 investment company, broker-dealer company or surety company, limited liability company,
34 partnership or sole proprietorship.

1 (3) "Commerce corporation" means the Rhode Island commerce corporation established
2 pursuant to chapter 64 of title 44.

3 (4) "Commitment period" means the period of time that at a minimum is twenty percent
4 (20%) greater than the eligibility period.

5 (5) "Eligibility period" means the period in which a business may claim a tax credit under
6 the program, beginning at the end of the tax period in which the commerce corporation issues a
7 certification for the business that it has met the employment requirements of the program and
8 extending thereafter for a term of not more than ten (10) years.

9 (6) "Eligible position" or "full-time job" means a full-time position in a business which
10 has been filled with a full-time employee who earns no less than the median hourly wage as
11 reported by the United States Bureau of Labor Statistics for the state of Rhode Island, provided,
12 that for economically fragile industries such as manufacturing, the commerce corporation may
13 reduce the wage threshold. An economically fragile industry shall not include retail.

14 (7) "Full-time employee" means a person who is employed by a business for
15 consideration for at least thirty-five (35) hours a week, or who is employed by a professional
16 employer organization pursuant to an employee leasing agreement between the business and the
17 professional employer organization for at least thirty-five (35) hours a week, and whose wages
18 are subject to withholding.

19 (8) "Hope community" means municipalities with a percentage of families below the
20 poverty level that is greater than the percentage of families below the poverty level for the state as
21 a whole as determined by the United States Census Bureau's most recent American Community
22 Survey.

23 (9) "Incentive agreement" means the contract between the business and the commerce
24 corporation, which sets forth the terms and conditions under which the business shall be eligible
25 to receive the incentives authorized pursuant to the program.

26 (10) "Incentive effective date" means the date the commerce corporation issues a
27 certification for issuance of tax credit based on documentation submitted by a business pursuant
28 to § 44-48.3-7.

29 (11) "New full-time job" means an eligible position created by the business that did not
30 previously exist in this state and which is created after approval of an application to the
31 commerce corporation under the program. Such job position cannot be the result of an acquisition
32 of an existing company located in Rhode Island by purchase, merger, or otherwise. For the
33 purposes of determining the number of new full-time jobs, the eligible positions of an affiliate
34 shall be considered eligible positions of the business so long as such eligible position(s) otherwise

1 meets the requirements of this section.

2 (12) "Partnership" means an entity classified as a partnership for federal income tax
3 purposes.

4 (13) "Program" means the incentive program established pursuant to this chapter.

5 (14) "Targeted industry" means any industry identified in the economic development
6 vision and policy promulgated under § 42-64.17-1.

7 (15) "Taxpayer" means a business granted a tax credit under this chapter or such person
8 entitled to the tax credit because the business is a pass through entity such as a partnership, S
9 corporation, sole proprietorship or limited liability company taxed as a partnership.

10 (16) "Transit oriented development area" means an area in proximity to mass-transit
11 infrastructure including, but not limited to, an airport, rail or intermodal facility that will be
12 further defined by regulation of the commerce corporation in consultation with the Rhode Island
13 department of transportation.

14 **44-48.3-4. Rhode Island qualified jobs incentive program. --** (a) The Rhode Island
15 qualified jobs incentive program is hereby established as a program under the jurisdiction of and
16 shall be administered by the commerce corporation. The program may provide tax credits to
17 eligible businesses for an eligibility period not to exceed ten (10) years.

18 (b) An eligible business under the program shall be entitled to a credit against taxes
19 imposed pursuant to chapters 11, 13, 14, 17 or 30 of title 44 as further provided under this
20 chapter.

21 (c) The minimum number of new full-time jobs required to be eligible for a tax credit
22 under this program shall be as follows:

23 (1) For a business in a targeted industry that employs not more than one hundred (100)
24 full-time employees on the date of application to the commerce corporation, the creation of at
25 least ten (10) new full-time jobs in this state;

26 (2) For a business in a targeted industry that employs more than one hundred (100) full-
27 time employees on the date of application to the commerce corporation, either the creation of new
28 full-time jobs in this state in an amount not less than ten percent (10%) of the business's existing
29 number of full-time employees or the creation of at least one hundred (100) new full-time jobs in
30 this state;

31 (3) For a business in a non-targeted industry that employs not more than two hundred
32 (200) full-time employees on the date of application to the commerce corporation, the creation of
33 at least twenty (20) new full-time jobs in this state; or

34 (4) For a business in a non-targeted industry that employs more than two hundred (200)

1 full-time employees on the date of application to the commerce corporation, either the creation of
2 new full-time jobs in this state in an amount not less than ten percent (10%) of the business's
3 existing number of full-time employees or the creation of at least one hundred (100) new full-
4 time jobs in this state.

5 (d) When a business applies for an incentive under this chapter, in order to assist the
6 commerce corporation in determining whether the business is eligible for the incentives under
7 this chapter, the business's chief executive officer, or equivalent officer, shall attest under oath:

8 (1) That any projected creation of new full-time jobs would not occur, or would not occur
9 in the state of Rhode Island, but for the provision of tax credits under the program;

10 (2) The business will create new full-time jobs in an amount equal to or greater than the
11 applicable number set forth in subsection (c) of this section;

12 (3) That the business's chief executive officer, or equivalent officer, has reviewed the
13 information submitted to the commerce corporation and that the representations contained therein
14 are accurate and complete.

15 (e)The commerce corporation shall establish, by regulation, the documentation an
16 applicant shall be required to provide under this subsection. Such documentation may include
17 documentation showing that the applicant could reasonably locate the new positions outside of
18 this state, or that the applicant is considering locating the positions outside of this state, or that it
19 would not be financially feasible for the applicant to create the positions without the tax credits
20 provided in this chapter.

21 (f) In the event that this attestation by the business's chief executive officer, or equivalent
22 officer, required under subsection (d) of this section is found to be willfully false, the commerce
23 corporation may revoke any award of tax credits in their entirety, which revocation shall be in
24 addition to any other criminal or civil penalties that the business and/or the officer may be subject
25 to under applicable law. Additionally, the commerce corporation may revoke any award of tax
26 credits in its entirety if the eligible business is convicted of bribery, fraud, theft, embezzlement,
27 misappropriation, and/or extortion involving the state, any state agency or political subdivision of
28 the state.

29 **44-48.3-5. Incentive agreement required prior to issuance of tax credits. -- (a) The**
30 commerce corporation shall require an eligible business to enter into an incentive agreement prior
31 to the issuance of tax credits. The incentive agreement shall include, but shall not be limited to,
32 the following:

33 (1) A detailed description of the proposed job creation including industry sectors and the
34 number of new full-time jobs that are sought to be approved for tax credits;

1 (2) The eligibility period of the tax credits, including the first year for which the tax
2 credits may be claimed;

3 (3) A requirement that the applicant maintain the project at a location in Rhode Island for
4 the commitment period, with at least the minimum number of full-time employees as required by
5 this program;

6 (4) A method for the business to annually certify that it has met the employment
7 requirements of the program for each year of the commitment period;

8 (5) A provision permitting an audit of the payroll records of the business from time to
9 time, as the commerce corporation deems necessary;

10 (6) A provision establishing the conditions under which the agreement may be
11 terminated;

12 (7) A provision that if, in any tax period, the business reduces the total number of full-
13 time employees in its statewide workforce in the last tax period prior to the credit amount
14 approval under this program by more than twenty percent (20%) of jobs for which a credit was
15 granted under this chapter as described in the business's incentive agreement(s), then the business
16 shall forfeit all credit amounts described in the business's incentive agreement(s) for that tax
17 period and each subsequent tax period, until the first tax period for which documentation
18 demonstrating the restoration of the business's statewide workforce to the threshold levels
19 required by the incentive agreement(s) has been reviewed and approved by the commerce
20 corporation, for which tax period and each subsequent tax period the full amount of the credit
21 shall be allowed; and

22 (8) A provision that during the commitment period, if the business ceases operations in
23 the state or transfers more than fifty percent (50%) of the jobs for which a credit was granted
24 under this chapter to another state, the tax credit shall cease pursuant to this section and the
25 business shall be liable to the state for, at a minimum, twenty percent (20%) of all tax benefits
26 granted to the business under this chapter calculated from the date of the incentive agreement.

27 **44-48.3-6. Total amount of tax credit for eligible business. -- (a) The base amount of**
28 **the tax credit for an eligible business for each new full-time job shall be up to two thousand five**
29 **hundred dollars (\$2,500) annually.**

30 (b) The total tax credit amount shall be calculated and credited to the business annually
31 for each year of the eligibility period after the commerce corporation, in consultation with the
32 division of taxation, has verified that the jobs covered by the tax credit have generated sufficient
33 personal income taxes to comply with subsection (e) of this section.

34 (c) In addition to the base amount of the tax credit, the amount of the tax credit to be

1 awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d)
2 of this section, if the business meets any of the following criteria or such other additional criteria
3 determined by the commerce corporation from time to time in response to evolving economic or
4 market conditions:

5 (1) For a business located within a hope community;

6 (2) For a targeted industry;

7 (3) For a business located within a transit oriented development area; and

8 (4) For an out-of-state business that relocates a business unit or units or creates a
9 significant number of new full-time jobs during the commitment period.

10 (d) For any application made to the commerce corporation from 2015 through 2018, the
11 tax credit for an eligible business for each new full-time job shall not exceed seven thousand five
12 hundred dollars (\$7,500) annually.

13 (e) Notwithstanding the provisions of subsections (a) through (d) of this section, for each
14 application approved by the commerce corporation, the amount of tax credits available to be
15 obtained by the business annually shall not exceed the reasonable W-2 withholding received by
16 the state for each new full-time job created by a business for applications received by the
17 commerce corporation in 2015 through 2018.

18 (f) The commerce corporation shall establish regulations regarding the conditions under
19 which a business may submit more than one application for tax credits over time. The commerce
20 corporation may place limits on repeat applications.

21 **44-48.3-7. Documentation.** -- (a) A business shall submit documentation indicating that
22 it has met the employment requirements specified in the incentive agreement for certification of
23 its tax credit amount within three (3) years following the date of approval of its application by the
24 commerce corporation. The commerce corporation, after a finding of good cause, may grant two
25 (2) six (6) month extensions of this deadline. In no event shall the incentive effective date occur
26 later than four (4) years following the date of approval of an application by the commerce
27 corporation.

28 (b) Full-time employment for an accounting or privilege period shall be determined as the
29 average of the monthly full-time employment for the period.

30 (c) In conducting its annual review of a business, the commerce corporation may require
31 a business to submit any information determined by the commerce corporation to be necessary
32 and relevant to its review.

33 (d) The credit amount for any tax period for which the documentation of a business's
34 credit amount remains uncertified as of a date one year after the closing date of that period shall

1 be forfeited, although credit amounts for the remainder of the years of the eligibility period shall
2 remain available to the business.

3 **44-48.3-8. Carry forward, transfer or redemption of tax credits, redemption fund. --**

4 (a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total tax
5 liability for the year in which the credit is allowed, the amount of such credit that exceeds the
6 taxpayer's tax liability may be carried forward and applied against the taxes imposed for the
7 succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits allowed
8 to a partnership, a limited liability company taxed as a partnership, or multiple owners of property
9 shall be passed through to the persons designated as partners, members or owners respectively
10 pro rata or pursuant to an executed agreement among such persons designated as partners,
11 members or owners documenting an alternate distribution method without regard to their sharing
12 of other tax or economic attributes of such entity.

13 (b) The commerce corporation shall establish, by regulation, the process for the
14 assignment, transfer or conveyance of tax credits.

15 (c) For purposes of this chapter, any assignment or sales proceeds received by the
16 taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be
17 exempt from taxation under title 44. If a tax credit is subsequently revoked or adjusted, the
18 seller's tax calculation for the year of revocation or adjustment shall be increased by the total
19 amount of the sales proceeds, without proration, as a modification under chapter 30 of title 44 of
20 the general laws. In the event that the seller is not a natural person, the seller's tax calculation
21 under chapters 11, 13, 14, or 17 of title 44, as applicable, for the year of revocation, or
22 adjustment, shall be increased by including the total amount of the sales proceeds without
23 proration.

24 (d) The tax credit allowed under this chapter may be used as a credit against corporate
25 income taxes imposed under chapters 11, 13, 14, or 17 of title 44, or as determined by the
26 commerce corporation may be used as a credit against personal income taxes imposed under
27 chapter 30 of title 44. No more than the amount of tax credits equal to the total credit amount
28 divided by the duration of the eligibility period in years may be taken in any tax period.

29 (e) Prior to assignment or transfer of a tax credit granted under this chapter, the division
30 of taxation shall, at the request of the business, redeem such credit in whole or in part for ninety
31 percent (90%) of the value of the tax credit with monies in the jobs tax credit redemption fund
32 created under subsection (f) of this section. The division of taxation shall establish by regulation a
33 redemption process for tax credits.

34 (f) The division of taxation is hereby authorized and empowered to segregate taxes

1 collected as a result of the creation of new full-time jobs under this chapter and transfer such
2 amounts to the general treasurer for deposit in a restricted account known as the jobs tax credit
3 redemption fund. The jobs tax credit redemption fund shall be used solely to pay for the
4 redemption of tax credits granted under this chapter. The director of the department of revenue
5 shall annually determine if a surplus exists in the job tax credit redemption fund over amounts
6 necessary to redeem tax credits in a fiscal year and may authorize the general treasurer to transfer
7 any surplus to the general fund.

8 (g) The unexpended balance of such sum of money received and appropriated for the jobs
9 tax credit redemption fund remaining in the treasury at the close of each fiscal year, shall be
10 continued to and is hereby annually appropriated for the same account for the ensuing year.

11 (h) The commerce corporation shall have no obligation to make any award or grant any
12 benefits under this chapter.

13 **44-48.3-9. Administration.** -- (a) The commerce corporation may adopt implementation
14 guidelines, directives, criteria, rules and regulations pursuant to chapter 35 of title 42
15 ("administrative procedures act") as are necessary to implement this chapter, including, but not
16 limited to: the enumeration of specific targeted industries; specific delineation of the incentive
17 areas; the promulgation of procedures and forms necessary to apply for a tax credit, including the
18 enumeration of the certification procedures and allocation of tax credits; and provisions for tax
19 credit applicants to be charged an initial application fee, and ongoing service fees, to cover the
20 administrative costs related to the tax credit.

21 (b) For businesses adding jobs on the basis of a future federal procurement, the
22 commerce corporation shall establish specific procedures.

23 (c) The division of taxation shall adopt rules as are necessary to implement this chapter.

24 **44-48.3-10. Limitations.** -- The incentives provided under this chapter shall not be
25 granted in combination with any other job specific benefit provided by the state, the commerce
26 corporation, or any other state agency, board, commission, quasi-public corporation or similar
27 entity without the express authorization of the commerce corporation.

28 **44-48.3-11. Program integrity.** -- Program integrity being of paramount importance, the
29 commerce corporation shall establish procedures to ensure ongoing compliance with the terms
30 and conditions of the program established herein, including procedures to safeguard the
31 expenditure of public funds and to ensure that the funds further the objectives of the program. At
32 a minimum these procedures will include an audit, at least every three (3) years, of the process
33 the commerce corporation followed in the administration of the program.

34 **44-48.3-12. Discontinuance of further rate reductions and future beneficiaries under**

1 the jobs development act. -- (a) The rate reduction(s) provided pursuant to chapter 64.5 of title
2 42 of the general laws shall be discontinued effective July 1, 2015, except as provided in
3 subsection (b) of this section.

4 (b) Any company that has qualified for a rate reduction pursuant to chapter 64.5 of title
5 42 prior to July 1, 2015, shall be entitled to maintain the rate reduction in effect as of June 30,
6 2015, and no additional rate reduction shall be permitted. All obligations of the company required
7 under chapter 64.5 of title 42 to retain a rate reduction shall remain in full force and effect.

8 **44-48.3-13. Reporting requirements. --** (a) By August 1st of each year, each applicant
9 approved for credits under this chapter shall report to the commerce corporation and the division
10 of taxation the following information:

11 (1) The number of total jobs created;

12 (2) The applicable north American industry classification survey annual system code of
13 each job created;

14 (3) The annual salary of each job created;

15 (4) The address of each new employee;

16 (b) By September 1, 2016 and each year thereafter, the commerce corporation shall report
17 the name, address, and amount of tax credit approved for each credit recipient during the previous
18 state fiscal year to the governor, the speaker of the house of representatives, the president of the
19 senate, the chairpersons of the house and senate finance committees, the house and senate fiscal
20 advisors, and the department of revenue.

21 (c) By October 1, 2016 and each year thereafter, the commerce corporation shall report
22 for the year (i) the total number of businesses awarded credits in the previous fiscal year and (ii)
23 the name and address of each credit recipient . This report shall be available to the public for
24 inspection by any person and shall be published by the chief executive of the commerce
25 corporation on the commerce corporation and executive office of commerce websites.

26 (d) By October 1st of each year the division of taxation shall report the name, address,
27 and amount of tax credit received for each credit recipient during the previous state fiscal year to
28 the governor, the chairpersons of the house and senate finance committees, the house and senate
29 fiscal advisors, and the department of labor and training.

30 (e) By November 1st of each year the division of taxation shall report in the aggregate the
31 information required under subsection 42-64.20-8(a). This report shall be available to the public
32 for inspection by any person and shall be published by the tax administrator on the tax division
33 website.

34 **44-48.3-14. Sunset. --** No no credits shall be authorized to be reserved pursuant to this

1 [chapter after December 31, 2018.](#)

2

3 SECTION 16. Section 44-48.2-3 of the General Laws in Chapter 44-48.2 entitled "Rhode
4 Island Economic Development Tax Incentives Evaluation Act of 2013" is hereby amended to
5 read as follows:

6 **44-48.2-3. Economic development tax incentive defined.** -- (a) As used in this section,
7 the term "economic development tax incentive" shall include:

8 (1) Those tax credits, deductions, exemptions, exclusions, and other preferential tax
9 benefits associated with §§ 42-64.3-6, 42-64.3-7, 42-64.5-3, 42-64.6-4, 42-64.11-4, 44-30-1.1,
10 44-31-1, 44-31-1.1, 44-31-2, 44-31.2-5, 44-32-1, 44-32-2, 44-32-3, 44-39.1-1, 44-43-2, 44-43-3,
11 and 44-63-2, and;

12 (2) Any future incentives enacted after the effective date of this section for the purpose
13 of recruitment or retention of businesses in the state of Rhode Island.

14 (b) In determining whether a future tax incentive is enacted for "the purpose of
15 recruitment or retention of businesses", the office of revenue analysis shall consider legislative
16 intent, including legislative statements of purpose and goals, and may also consider whether the
17 tax incentive is promoted as a business incentive by the state's economic development agency or
18 other relevant state agency.

19 SECTION 17. This article shall take effect upon passage.

1 clays, or lotions to scalp, face, or neck of any person; or cuts the hair of any person, gives facial
2 and scalp massages, or treatments with oils, creams, lotions, or other preparations.

3 ~~(2)(3)~~ "Board" means the state board of barbering and hairdressing as provided for in this
4 chapter.

5 ~~(3)(4)~~ "Department" means the Rhode Island department of health.

6 ~~(4)(5)~~ "Division" means the division of professional regulation within the department of
7 health.

8 ~~(5)(6)~~ "Esthetician" means a person who engages in the practice of esthetics, and is
9 licensed as an esthetician.

10 ~~(6)(7)~~ "Esthetician shop" means a shop licensed under this chapter to do esthetics of any
11 person.

12 ~~(7)(8)~~ "Esthetics" means the practice of cleansing, stimulating, manipulating, and
13 beautifying skin, including, but not limited to, the treatment of such skin problems as
14 dehydration, temporary capillary dilation, excessive oiliness, and clogged pores.

15 ~~(8)(9)~~ "Hair design shop" means a shop licensed under this chapter to do barbering or
16 hairdressing/cosmetology, or both, to any person.

17 ~~(9)(10)~~ "Hairdresser and cosmetician" means any person who arranges, dresses, curls,
18 cuts, waves, sings, bleaches, or colors the hair or treats the scalp, or manicures the nails of any
19 person either with or without compensation or who, by the use of the hands or appliances, or of
20 cosmetic preparations, antiseptics, tonics, lotions, creams, powders, oils or clays, engages, with or
21 without compensation, in massaging, cleansing, stimulating, manipulating, exercising, or
22 beautifying or in doing similar work upon the neck, face, or arms or who removes superfluous
23 hair from the body of any person.

24 ~~(11) "Instructor" means any person licensed as an instructor under the provisions of this~~
25 ~~chapter.~~

26 ~~(10)(12)~~ "Manicuring shop" means a shop licensed under this chapter to do manicuring
27 only on the nails of any person.

28 ~~(11)(13)~~ "Manicurist" means any person who engages in manicuring for compensation
29 and is duly licensed as a manicurist.

30 ~~(12)(14)~~ "School" means a school approved under chapter 40 of title 16, as amended,
31 devoted to the instruction in and study of the theory and practice of barbering, hairdressing and
32 cosmetic therapy, esthetics and/or manicuring.

33 ~~(13)(15)~~ "The practice of barbering" means the engaging by any licensed barber in all or
34 any combination of the following practices: shaving or trimming the beard or cutting the hair;

1 giving facial and scalp massages or treatments with oils, creams, lotions, or other preparations
2 either by hand or mechanical appliances; singeing, shampooing, arranging, dressing, curling,
3 waving, chemical waving, hair relaxing, or dyeing the hair or applying hair tonics; or applying
4 cosmetic preparations, antiseptics, powders, oils, clays or lotions to scalp, face, or neck.

5 ~~(14)(16)~~ "The practice of hairdressing and cosmetic therapy" means the engaging by any
6 licensed hairdresser and cosmetician in any one or more of the following practices: the
7 application of the hands or of mechanical or electrical apparatus, with or without cosmetic
8 preparations, tonics, lotions, creams, antiseptics, or clays, to massage, cleanse, stimulate,
9 manipulate, exercise, or otherwise to improve or to beautify the scalp, face, neck, shoulders,
10 arms, bust, or upper part of the body or the manicuring of the nails of any person; or the removing
11 of superfluous hair from the body of any person; or the arranging, dressing, curling, waving,
12 weaving, cleansing, cutting, singeing, bleaching, coloring, or similarly treating the hair of any
13 person.

14 ~~(15)(17)~~ "The practice of manicuring" means the cutting, trimming, polishing, tinting,
15 coloring, or cleansing the nails of any person.

16 **5-10-7. License required for practice.** – No person shall practice barbering,
17 hairdressing, and cosmetic therapy, esthetics, or manicuring in this state, unless the person has
18 first obtained any license ~~for that practice~~ required by this chapter, as provided by this chapter;
19 provided, that nothing in this chapter prohibits students enrolled in programs of hairdressing,
20 barbering, and/or cosmetology from entering into work-study arrangements after they have
21 completed at least one thousand (1,000) hours of classroom instruction. Students participating in
22 those work-study arrangements shall be under the direct supervision of a licensed hairdresser,
23 barber, or cosmetologist, and shall be clearly identified as students. No course credit shall be
24 granted for this students' participation in a work-study arrangement and in no event shall it
25 continue beyond the students' graduation from school or completion of course work.

26 **5-10-8. Issuance of licenses – Qualifications of applicants.** – (a) The division shall
27 issue licenses to persons engaged in or desiring to engage in the practice of barbering,
28 hairdressing, and cosmetic therapy and/or manicuring, or esthetics ~~and for instructing in any~~
29 ~~approved school of barbering or hairdressing and cosmetic therapy, and/or manicuring, or~~
30 ~~esthetics~~; provided, that no license shall be issued to any person under this chapter unless the
31 applicant for the license:

- 32 (1) Is at least eighteen (18) years of age;
- 33 (2) Is a citizen of the United States of America or has legal entry into the country;
- 34 (3) Is of good moral character;

- 1 (4) Is a high school graduate or holds the equivalent;
- 2 (5) Has satisfactorily completed the course of instruction in an approved school of
- 3 barbering, hairdressing and cosmetic therapy, and/or manicuring or esthetics;
- 4 (6) Has satisfactorily passed a written and a practical examination approved by the
- 5 division to determine the fitness of the applicant to receive a license; and
- 6 (7) Has complied with § 5-10-10 and any other qualifications that the division prescribes
- 7 by regulation.

8 (b) Notwithstanding the provision of subdivision (a)(4) of this section, on and after July

9 1, 1997, an applicant seeking licensure as a barber must be a high school graduate or hold the

10 equivalent.

11 **5-10-9. Classes of licenses.** – Licenses shall be divided into the following classes and

12 shall be issued by the division to applicants for the licenses who have qualified for each class of

13 license:

14 (1) A "hairdresser's and cosmetician's license" shall be issued by the division to every

15 applicant for the license who meets the requirements of § 5-10-8 and has completed a course of

16 instruction in hairdressing and cosmetology consisting of not less than fifteen hundred (1,500)

17 hours of continuous study and practice.

18 ~~(2) An "instructor's license" shall be granted by the division to any applicant for the~~

19 ~~license who has held a licensed hairdresser's and cosmetician's license, a barber's license, a~~

20 ~~manicurist's license, or an esthetician's license issued under the laws of this state or another state,~~

21 ~~for at least the three (3) years preceding the date of application for an instructor's license and:~~

22 ~~(i) Meets the requirements of § 5-10-8;~~

23 ~~(ii) Has satisfactorily completed three hundred (300) hours of instruction in hairdressing~~

24 ~~and cosmetology, barber, manicurist, or esthetician teacher training approved by the division as~~

25 ~~prescribed by regulation;~~

26 ~~(iii) Has satisfactorily passed a written and a practical examination approved by the~~

27 ~~division to determine the fitness of the applicant to receive an instructor's license;~~

28 ~~(iv) Has complied with § 5-10-10; and~~

29 ~~(v) Has complied with any other qualifications that the division prescribes by regulation.~~

30 (2)~~(3)~~ A "manicurist license" shall be granted to any applicant for the license who meets

31 the following qualifications:

32 (i) Meets the requirements of § 5-10-8; and

33 (ii) Has completed a course of instruction consisting of not less than three hundred (300)

34 hours of professional training in manicuring, in an approved school.

1 (3)(4) An "esthetician license" shall be granted to any applicant for the license who meets
2 the following qualifications:

3 (i) Meets the requirements of § 5-10-8;

4 (ii) Has completed a course of instruction in esthetics consisting of not less than six
5 hundred (600) hours of continuous study and practice over a period of not less than four (4)
6 months in an approved school of hairdressing and cosmetology; and

7 (iii) Any applicant who holds a diploma or certificate from a skin care school that is
8 recognized as a skin care school by the state or nation in which it is located, and meets the
9 requirements of paragraph (i) of this subdivision, shall be granted a license to practice esthetics;
10 provided, that the skin care school has a requirement that in order to graduate from the school a
11 student must have completed a number of hours of instruction in the practice of skin care, which
12 number is at least equal to the number of hours of instruction required by the division.

13 (4)(5) A "barber" license shall be issued by the division to every applicant for the license
14 who meets the requirements of § 5-10-8 and:

15 (i) Has completed a course of instruction in barbering consisting of not less than one
16 thousand five hundred (1,500) hours of continuous study and practice in an approved school;

17 (ii) ~~Has possessed for at least two (2) years prior to the filing of the application a~~
18 ~~certificate of registration in full force and effect from the department of health of the state~~
19 ~~specifying that person as a registered apprentice barber, and the application of that applicant is~~
20 ~~accompanied by Has~~ Has an affidavit or affidavits ~~of~~ from his or her employer or former
21 employers or other reasonably satisfactory evidence showing that the applicant has, in order to
22 learn the art of barbering, ~~been actually engaged in barbering as an apprentice barber in the state~~
23 ~~during those two (2) years~~ worked for a minimum of two (2) years under the supervision of a
24 barber who has been licensed in the state for at least three (3) years; or

25 (iii) ~~A combination of barber school training and apprenticeship~~ Any training as
26 determined by the rules and regulations prescribed by the division.

27 ~~SECTION 3. Section 5-10-13 of the General Laws in Chapter 5-10 entitled "Barbers,~~
28 ~~Hairdressers, Cosmeticians, Manicurists and Estheticians" is hereby repealed.~~

29 ~~5-10-13. Demonstrator's permit. The division may in its discretion issue to any~~
30 ~~person recognized by the division as an authority on, or an expert in the theory or practice of,~~
31 ~~barbering, hairdressing, and cosmetic therapy and/or manicuring or esthetics and is the holder of a~~
32 ~~current esthetician's, manicurist's or a barber's, hairdresser's, and cosmetician's license in this~~
33 ~~state, another state or the District of Columbia, a demonstrator's permit for not more than six (6)~~
34 ~~days' duration for educational and instructive demonstrations; provided, that the permit shall not~~

1 ~~be used in the sense of a license to practice barbering, manicuring, esthetics or hairdressing and~~
2 ~~cosmetic therapy. The fee for the permit is as set forth in § 23-1-54.~~

3 SECTION 4. Sections 5-32-2 and 5-32-4 of the General Laws in Chapter 5-32 entitled
4 “Electrolysis” are hereby amended to read as follows:

5 **5-32-2. Penalty for unlicensed practice.** – Every person who subsequently engages in
6 the practice of electrolysis in this state without being licensed, if a license is required under this
7 chapter, by the board of examiners in electrolysis is practicing illegally and, upon conviction,
8 shall be fined not more than twenty-five dollars (\$25.00) and every day of the continuation of
9 illegal practice is a separate offense.

10 **5-32-4. Qualifications of applicants.** – Licenses to engage in the practice of electrolysis
11 shall be issued to the applicants who comply with the following requirements:

12 (1) Are citizens or legal residents of the United States.

13 (2) Have attained the age of eighteen (18) years.

14 (3) Have graduated from a high school or whose education is the equivalent of a high
15 school education.

16 (4) Have satisfactorily completed a course of training and study in electrolysis, as
17 prescribed by rules and regulations promulgated by the department of health authorized by
18 section § 5-32-18 of this chapter, ~~as a registered apprentice under the supervision of a licensed~~
19 ~~Rhode Island electrologist who is qualified to teach electrolysis to apprentices as prescribed in §~~
20 ~~5-32-17 or has graduated from a school of electrolysis after having satisfactorily completed a~~
21 ~~program consisting of not less than six hundred fifty (650) hours of study and practice in the~~
22 ~~theory and practical application of electrolysis. That apprenticeship includes at least six hundred~~
23 ~~and fifty (650) hours of study and practice in the theory and practical application of electrolysis~~
24 ~~within a term of nine (9) months; provided, that the apprentice registers with the division of~~
25 ~~professional regulation of the department of health upon beginning his or her course of~~
26 ~~instruction, and the licensed person with whom he or she serves that apprenticeship keeps a~~
27 ~~record of the hours of that instruction, and upon the completion of that apprenticeship certifies~~
28 ~~that fact to the board of examiners in electrolysis.~~

29 (5) Is of good moral character.

30 (6) Passes an examination approved by the department of health.

31 ~~SECTION 5. Sections 5-32-8 and 5-32-17 of the General Laws in Chapter 5-32 entitled~~
32 ~~“Electrolysis” are hereby repealed.~~

33 ~~**5-32-8. Apprenticeship register.** The division of professional regulation of the~~
34 ~~department of health shall keep a register in which the names of all persons serving~~

1 ~~apprenticeships licensed under this chapter shall be recorded. This register is open to public~~
2 ~~inspection.~~

3 ~~**5-32-17. Qualifications for teaching electrolysis.** (a) A person in order to qualify as~~
4 ~~an instructor or teacher of electrolysis to apprentices must:~~

5 ~~(1) Have been actively engaged as a licensed practitioner of electrolysis for at least five~~
6 ~~(5) years.~~

7 ~~(2) Pass a state board examination specifically designed to evaluate his or her~~
8 ~~qualifications to teach electrolysis.~~

9 ~~(3) Be a high school graduate or the equivalent.~~

10 ~~(b) Upon satisfactorily passing this examination, the division of professional regulation of~~
11 ~~the department of health shall issue a license to the person upon the payment of a fee as set forth~~
12 ~~in § 23-1-54.~~

13 ~~(c) A qualified licensed electrologist shall not register more than one apprentice for each~~
14 ~~nine (9) month training period.~~

15 SECTION 6. Chapter 5-32 of the General Laws entitled "Electrolysis" is hereby amended
16 by adding thereto the following section:

17 **5-32-18. Training and study.** – [The department of health may promulgate rules and](#)
18 [regulations applying to training and study in electrolysis.](#)

19 SECTION 7. Sections 5-37.2-2, 5-37.2-14, and 5-37.2-15 of the General Laws in Chapter
20 5-37.2 entitled "The Healing Art of Acupuncture" are hereby amended to read as follows:

21 **5-37.2-2. Definitions.** – Unless the context otherwise requires, the words, phrases, and
22 derivatives employed in this chapter have the meanings ascribed to them in this section:

23 (1) "Acupuncture" means the insertion of needles into the human body by piercing the
24 skin of the body, for the purpose of controlling and regulating the flow and balance of energy in
25 the body.

26 (2) "Department" means the state department of health.

27 (3) "Doctor of acupuncture" means a person licensed under the provisions of this chapter
28 to practice the art of healing known as acupuncture.

29 ~~(4) "Licensed acupuncture assistant" means a person who assists in the practice of~~
30 ~~acupuncture under the direct supervision of a person licensed under the provisions of this chapter~~
31 ~~to practice acupuncture.~~

32 **5-37.2-14. Recordation and display of licenses – Annual registration fee – Penalties**
33 **for failure to pay fee.** – (a) Every person holding a license authorizing him or her to practice
34 acupuncture or to serve as an acupuncture assistant in this state shall record his or her license with

1 the city or town hall in the city or town where his or her office and residence are located. Every
2 licensee upon a change of residence or office shall have his or her certificate recorded in the same
3 manner in the municipality to which he or she has changed.

4 (b) Every license shall be displayed in the office, place of business, or place of
5 employment of the license holder.

6 (c) Every person holding a license shall pay to the department on or before February 1 of
7 each year, the annual registration fee required pursuant to department rules and regulation. If the
8 holder of a license fails to pay the registration fee his or her license shall be suspended. The
9 license may be reinstated by payment of the required fee within ninety (90) days after February 1.

10 (d) A license which is suspended for more than three (3) months under the provisions of
11 subsection (c) of this section may be canceled by the board after thirty (30) days notice to the
12 holder of the license.

13 **5-37.2-15. Suspension, revocation, or refusal of license – Grounds.** – The department
14 may either refuse to issue or may suspend or revoke any license for any one or any combination
15 of the following causes:

16 (1) Conviction of a felony, conviction of any offense involving moral turpitude, or
17 conviction of a violation of any state or federal law regulating the possession, distribution or use
18 of any controlled substance as defined in § 21-28-1.02, as shown by a certified copy of record of
19 the court;

20 (2) The obtaining of, or any attempt to obtain, a license, or practice in the profession for
21 money or any other thing of value, by fraudulent misrepresentations;

22 (3) Gross malpractice;

23 (4) Advertising by means of knowingly false or deceptive statement;

24 (5) Advertising, practicing, or attempting to practice under a name other than one's own;

25 (6) Habitual drunkenness or habitual addiction to the use of a controlled substance as
26 defined in § 21-28-1.02;

27 (7) Using any false, fraudulent, or forged statement or document, or engaging in any
28 fraudulent, deceitful, dishonest, immoral practice in connection with the licensing requirement of
29 this chapter;

30 (8) Sustaining a physical or mental disability which renders further practice dangerous;

31 (9) Engaging in any dishonorable, unethical, or unprofessional conduct which may
32 deceive, defraud, or harm the public, or which is unbecoming a person licensed to practice under
33 this chapter;

34 (10) Using any false or fraudulent statement in connection with the practice of

1 acupuncture or any branch of acupuncture;

2 (11) Violating or attempting to violate, or assisting or abetting the violation of, or
3 conspiring to violate, any provision of this chapter;

4 (12) Being adjudicated incompetent or insane;

5 (13) Advertising in an unethical or unprofessional manner;

6 (14) Obtaining a fee or financial benefit for any person by the use of fraudulent diagnosis,
7 therapy, or treatment;

8 (15) Willfully disclosing a privileged communication;

9 (16) Failure of a licensee to designate his or her school of practice in the professional use
10 of his or her name by the term "doctor of acupuncture" ~~or "acupuncture assistant", as the case~~
11 ~~may be;~~

12 (17) Willful violation of the law relating to the health, safety, or welfare of the public, or
13 of the rules and regulations promulgated by the state board of health;

14 (18) Administering, dispensing, or prescribing any controlled substance as defined in §
15 21-28-1.02, except for the prevention, alleviation, or cure of disease or for relief from suffering;
16 and

17 (19) Performing, assisting, or advising in the injection of any liquid silicone substance
18 into the human body.

19 ~~SECTION 8. Section 5-37.2-13 of the General Laws in Chapter 5-37.2 entitled "The~~
20 ~~Healing Art of Acupuncture" is hereby repealed.~~

21 ~~5-37.2-13. Issuance of license for acupuncture assistant. — An applicant for a license~~
22 ~~for acupuncture assistant shall be issued a license by the department if he or she:~~

23 ~~(1) Has successfully completed a course of study in acupuncture in any college or school~~
24 ~~in any country, territory, province, or state requiring any attendance to thirty-six (36) months;~~

25 ~~(2) Practiced acupuncture for not less than three (3) years;~~

26 ~~(3) Passes the examination of the department for acupuncture assistant; and~~

27 ~~(4) Pays any fees as set forth in § 23-1-54.~~

28 SECTION 9. Sections 5-48-1 and 5-48-9 of the General Laws in Chapter 5-48 entitled
29 "Speech Pathology and Audiology" are hereby amended to read as follows:

30 ~~5-48-1. Purpose and legislative intent – Definitions.~~ – (a) It is declared to be a policy of
31 this state that the practice of speech language pathology and audiology is a privilege granted to
32 qualified persons and that, in order to safeguard the public health, safety, and welfare, protect the
33 public from being misled by incompetent, unscrupulous, and unauthorized persons, and protect
34 the public from unprofessional conduct by qualified speech language pathologists and

1 audiologists, it is necessary to provide regulatory authority over persons offering speech language
2 pathology and audiology services to the public.

3 (b) The following words and terms when used in this chapter have the following meaning
4 unless otherwise indicated within the context:

5 (1) "Audiologist" means an individual licensed by the board to practice audiology.

6 (2) "Audiology" means the application of principles, methods, and procedures related to
7 hearing and the disorders of the hearing and balance systems, to related language and speech
8 disorders, and to aberrant behavior related to hearing loss. A hearing disorder in an individual is
9 defined as altered sensitivity, acuity, function, processing, and/or damage to the integrity of the
10 physiological auditory/vestibular systems.

11 ~~(3) "Audiology support personnel" means individuals who meets minimum~~
12 ~~qualifications, established by the board, which are less than those established by this chapter as~~
13 ~~necessary for licensing as an audiologist, who do not act independently, and who work under the~~
14 ~~direction and supervision of an audiologist licensed under this chapter who has been actively~~
15 ~~working in the field for twenty four (24) months after completion of the postgraduate~~
16 ~~professional experience and who accepts the responsibility for the acts and performances of the~~
17 ~~audiology assistant while working under this chapter.~~

18 (3)(4) "Board" means the state board of examiners for speech language pathology and
19 audiology.

20 (4)(5) "Clinical fellow" means the person who is practicing speech language pathology
21 under the supervision of a licensed speech language pathologist while completing the
22 postgraduate professional experience as required by this chapter.

23 (5)(6) "Department" means the Rhode Island department of health.

24 (6)(7) "Director" means the director of the Rhode Island department of health.

25 (7)(8) "Person" means an individual, partnership, organization, or corporation, except that
26 only individuals can be licensed under this chapter.

27 (8)(9)(i) "Practice of audiology" means rendering or offering to render any service in
28 audiology, including prevention, screening, and identification, evaluation, habilitation,
29 rehabilitation; participating in environmental and occupational hearing conservation programs,
30 and habilitation and rehabilitation programs including hearing aid and assistive listening device
31 evaluation, prescription, preparation, dispensing, and/or selling and orientation; auditory training
32 and speech reading; conducting and interpreting tests of vestibular function and nystagmus;
33 conducting and interpreting electrophysiological measures of the auditory pathway; cerumen
34 management; evaluating sound environment and equipment; calibrating instruments used in

1 testing and supplementing auditory function; and planning, directing, conducting or supervising
2 programs that render or offer to render any service in audiology.

3 (ii) The practice of audiology may include speech and/or language screening to a pass or
4 fail determination, for the purpose of initial identification of individuals with other disorders of
5 communication.

6 (iii) A practice is deemed to be the "practice of audiology" if services are offered under
7 any title incorporating such word as "audiology", "audiologist", "audiometry", "audiometrist",
8 "audiological", "audiometrics", "hearing therapy", "hearing therapist", "hearing clinic", "hearing
9 clinician", "hearing conservation", "hearing conservationist", "hearing center", "hearing aid
10 audiologist", or any similar title or description of services.

11 ~~(9)(40)~~(i) "Practice of speech language pathology" means rendering or offering to render
12 any service in speech language pathology including prevention, identification, evaluation,
13 consultation, habilitation, rehabilitation; determining the need for augmentative communication
14 systems, dispensing and selling these systems, and providing training in the use of these systems;
15 and planning, directing, conducting, or supervising programs that render or offer to render any
16 service in speech language pathology.

17 (ii) The practice of speech language pathology may include nondiagnostic pure tone air
18 conduction screening, screening tympanometry, and acoustic reflex screening, limited to a pass or
19 fail determination, for the purpose of performing a speech and language evaluation or for the
20 initial identification of individuals with other disorders of communication.

21 (iii) The practice of speech language pathology also may include aural rehabilitation,
22 which is defined as services and procedures for facilitating adequate receptive and expressive
23 communication in individuals with hearing impairment.

24 (iv) A practice is deemed to be the "practice of speech language pathology" if services are
25 offered under any title incorporating such words as "speech pathology", "speech pathologist",
26 "speech therapy", "speech therapist", "speech correction", "speech correctionist", "speech clinic",
27 "speech clinician", "language pathology", "language pathologist", "voice therapy", "voice
28 therapist", "voice pathology", "voice pathologist", "logopedics", "logopedist", "communicology",
29 "communicologist", "aphasiology", "aphasiologist", "phoniatriest", or any similar title or
30 description of services.

31 ~~(10)(41)~~ "Regionally accredited" means the official guarantee that a college or university
32 or other educational institution is in conformity with the standards of education prescribed by a
33 regional accrediting commission recognized by the United States Secretary of Education.

34 ~~(11)(42)~~ "Speech language pathologist" means an individual who is licensed by the board

1 to practice speech language pathology.

2 ~~(12)(13)~~ "Speech language pathology" means the application of principles, methods, and
3 procedures for prevention, identification, evaluation, consultation, habilitation, rehabilitation,
4 instruction, and research related to the development and disorders of human communication.
5 Disorders are defined to include any and all conditions, whether of organic or non-organic origin,
6 that impede the normal process of human communication in individuals or groups of individuals
7 who have or are suspected of having these conditions, including, but not limited to, disorders and
8 related disorders of:

9 (i) Speech: articulation, fluency, voice, (including respiration, phonation and resonance);

10 (ii) Language (involving the parameters of phonology, morphology, syntax, semantics
11 and pragmatics; and including disorders of receptive and expressive communication in oral,
12 written, graphic, and manual modalities);

13 (iii) Oral, pharyngeal, laryngeal, cervical esophageal, and related functions (e.g.,
14 dysphasia, including disorders of swallowing and oral function for feeding; oro-facial
15 myofunctional disorders);

16 (iv) Cognitive aspects of communication (including communication disability and other
17 functional disabilities associated with cognitive impairment); and

18 (v) Social aspects of communication (including challenging behavior, ineffective social
19 skills, lack of communication opportunities).

20 ~~(14) "Speech language support personnel" means individuals who meet minimum
21 qualifications established by the board, which are less than those established by this chapter as
22 necessary for licensing as a speech language pathologist, who do not act independently, and who
23 work under the direction and supervision of a speech language pathologist licensed under this
24 chapter who has been actively working in the field for twenty four (24) months after completion
25 of the postgraduate professional experience and who accepts the responsibility for the acts and
26 performances of the speech language pathology assistant while working under this chapter.
27 Speech language support personnel shall be registered with the board within thirty (30) days of
28 beginning work, or the supervising speech language pathologist will be assessed a late filing fee
29 as set forth in § 23-1-54.~~

30 ~~**5-48-9. Fees — Late filing — Inactive status — Filing fees for support personnel**~~
31 ~~**registration. — Fees — Late filing — Inactive status.**~~ (a) The board may charge an application
32 fee; a biennial license renewal fee payable before July 1 of even years (biennially); or a
33 provisional license renewal fee as set forth in § 23-1-54 payable annually from the date of issue.

34 (b) Any person who allows his or her license to lapse by failing to renew it on or before

1 the thirtieth (30th) day of June of even years (biennially), may be reinstated by the board on
2 payment of the current renewal fee plus an additional late filing fee as set forth in § 23-1-54.

3 (c) An individual licensed as a speech language pathologist and/or audiologist in this
4 state, not in the active practice of speech-language pathology or audiology within this state during
5 any year, may upon request to the board, have his or her name transferred to an inactive status
6 and shall not be required to register biennially or pay any fee as long as he or she remains
7 inactive. Inactive status may be maintained for no longer than two (2) consecutive licensing
8 periods, after which period licensure shall be terminated and reapplication to the board shall be
9 required to resume practice.

10 (d) Any individual whose name has been transferred to an inactive status may be restored
11 to active status within two (2) licensing periods without a penalty fee, upon the filing of:

12 (1) An application for licensure renewal, with a licensure renewal fee as set forth in § 23-
13 1-54 made payable by check to the general treasurer of the state of Rhode Island; and

14 (2) Any other information that the board may request.

15 ~~(e) Audiology and speech language pathology support personnel shall be registered with~~
16 ~~the board within thirty (30) days of beginning work, or the supervising audiologist or speech~~
17 ~~language pathologist shall be assessed a late filing fee as set forth in § 23-1-54.~~

18 ~~SECTION 10. Chapter 5-58 of the General Laws entitled "Auctioneers" is hereby~~
19 ~~repealed in its entirety.~~

20 ~~**5-58-1. Licensing of auctioneers and apprentices.** (a) Any person desiring to hold an~~
21 ~~auctioneer's license or apprentice auctioneer's permit shall make written application for that~~
22 ~~license or permit on appropriate forms provided by the director of the department of business~~
23 ~~regulations. Each applicant shall be a person who has a good reputation for honesty, truthfulness,~~
24 ~~and fair dealing; good moral character, and is competent and financially qualified to conduct the~~
25 ~~business of an auctioneer or apprentice all of which may be considered by the director along with~~
26 ~~any other information the director deems appropriate in determining whether the granting of the~~
27 ~~application is in the public interest. Other information deemed appropriate includes, but is not~~
28 ~~limited to, a criminal records check. The director shall process the criminal records check for all~~
29 ~~resident applicants for an auctioneer's license. Non-resident applicants for an auctioneer's license~~
30 ~~shall apply to the bureau of criminal identification of the state police for a nationwide criminal~~
31 ~~records check. The bureau of criminal identification of the state police shall forward the results of~~
32 ~~the criminal records check to the director. The director may deny any application for a license if~~
33 ~~the director finds, based upon the results of the criminal records check, that the applicant has been~~
34 ~~convicted of a felony. Each application for an auctioneer, apprentice auctioneer, or nonresident~~

1 ~~auctioneer's license shall be accompanied by an application fee of ten dollars (\$10.00).~~

2 ~~(b) Prior to the taking of the examination, each applicant shall pay an examination fee in~~
3 ~~an amount to be established by the director of business regulation. Each applicant granted an~~
4 ~~auctioneer's license shall pay a licensing fee of two hundred dollars (\$200) per annum. Each~~
5 ~~nonresident auctioneer applicant granted a license shall pay a licensing fee of three hundred~~
6 ~~dollars (\$300) per annum. Each applicant granted an apprentice auctioneer permit shall pay a~~
7 ~~permit fee of twenty dollars (\$20.00) per annum. There is a five dollar (\$5.00) charge for issuance~~
8 ~~of a duplicate license or permit to replace a lost, damaged, or destroyed original or renewal~~
9 ~~license or permit. Fees for the replacement and for an original or renewal license or permit shall~~
10 ~~be paid into the general fund. The director shall promulgate rules and regulations mandating the~~
11 ~~term of the license or permit for each category of license or permit issued pursuant to this chapter.~~
12 ~~No license or permit shall remain in force for a period in excess of three (3) years. The fee for the~~
13 ~~initial license or renewal shall be determined by multiplying the per annum fee by the number of~~
14 ~~years in the term of license or renewal. The entire fee for the full term of licensure must be paid~~
15 ~~in full prior to issuing the renewal or initial license.~~

16 ~~**5-58-2. Auctioneer's and apprentice's bond.** Every auctioneer, upon approval of~~
17 ~~application and prior to issuance of a license or an apprentice permit, shall deliver and file with~~
18 ~~the department of business regulation a surety company bond in favor of the people of the state of~~
19 ~~Rhode Island in the principle amount not exceeding ten thousand dollars (\$10,000) nor less than~~
20 ~~two thousand dollars (\$2,000), at the discretion of the director; and payable to any party injured~~
21 ~~under the terms of the bond. The bond does not limit or impact any right of recovery available~~
22 ~~pursuant to law nor is the amount of the bond relevant in determining the amount of damage or~~
23 ~~other relief to which any claimant shall be entitled.~~

24 ~~**5-58-6. Announcement of conditions of sale.** Every auctioneer before exposing any~~
25 ~~real or personal estate to public sale shall make out, in writing, and sign and publicly read the~~
26 ~~conditions of sale.~~

27 ~~**5-58-7. Auctioneer's commission and apprentice's wage.** Whenever the whole~~
28 ~~amount of sales at any public auction does not exceed four hundred dollars (\$400), the auctioneer~~
29 ~~has for making that sale two and one half percent (2 1/2%) commission; if the amount of the sale~~
30 ~~exceeds that sum and does not exceed twenty thousand dollars (\$20,000), he or she shall have~~
31 ~~only one percent (1%) on the excess; and if the amount of the sale does not exceed thirty~~
32 ~~thousand dollars (\$30,000), he or she shall have three fourths percent (3/4%) on the excess; and~~
33 ~~if the amount of the sale exceeds thirty thousand dollars (\$30,000), he or she has one fourth~~
34 ~~percent (1/4%) on the excess. Nothing contained in this section shall be construed to prevent any~~

1 ~~person interested in selling any property by auction from making a special contract with the~~
2 ~~auctioneer for selling the property. Notwithstanding the preceding, agreement to change the~~
3 ~~previously stated fee schedule may be made between auctioneers and either owners or consignees~~
4 ~~of owners, only if those changes are specifically agreed to, in writing, by the parties. Auctioneers~~
5 ~~shall enter into a written contract with owners or consignees of property sold at auction which~~
6 ~~contract shall establish terms for any remuneration paid to the auctioneer for his or her services.~~
7 ~~A copy of the contract shall be kept in the possession of the auctioneer for a period of three (3)~~
8 ~~years and shall be made available for inspection by the director at his or her discretion.~~
9 ~~Apprentices employed by licensed auctioneers in accordance with standards prescribed in~~
10 ~~regulations promulgated under this chapter shall be paid for their services at a rate not less than~~
11 ~~the minimum wage established by law. No apprentice shall enter into a verbal or written contract~~
12 ~~or agreement for remuneration for services rendered when remuneration is separate, apart from,~~
13 ~~or in addition to wages paid to the apprentice by the employing auctioneer.~~

14 ~~**5-58-8. Regulation of sales.** The director of business regulation has the authority to~~
15 ~~promulgate rules and regulations which are reasonable, proper, and necessary to enforce the~~
16 ~~provisions of this chapter, to establish procedures for the preparation and processing of~~
17 ~~examinations, applications, licenses, and permits for the conduct of auction sales; to deny,~~
18 ~~suspend, or revoke licenses, or permits, to issue cease and desist orders, to assess administrative~~
19 ~~penalties of up to one thousand dollars (\$1,000) and to establish procedures for renewals, appeals,~~
20 ~~hearings, and rulemaking proceedings.~~

21 ~~**5-58-9. Officers of mortgagee forbidden to act as auctioneer in foreclosure.** No~~
22 ~~officer of any corporation shall act as an auctioneer in the foreclosure of any mortgage held by~~
23 ~~that corporation.~~

24 ~~**5-58-10 Penalty for violations.** Any person acting as auctioneer or apprentice~~
25 ~~auctioneer without a license is guilty of a misdemeanor. Anyone who is convicted shall be~~
26 ~~punished by a fine not to exceed five hundred dollars (\$500), or by imprisonment for a term not~~
27 ~~to exceed ninety (90) days, or both the fine and imprisonment for each violation.~~

28 ~~**5-58-11. Severability.** If any provision of this chapter or any rule or regulation made,~~
29 ~~or the application under this chapter to any person or circumstances, is held invalid by a court of~~
30 ~~competent jurisdiction, the remainder of the chapter, rule, or regulation, and the application of~~
31 ~~that provision to other persons or circumstances, shall not be affected.~~

32 ~~SECTION 11. Chapter 5-59.1 of the General Laws entitled "Rhode Island Orthotics and~~
33 ~~Prosthetics Practices" is hereby repealed in its entirety.~~

34 ~~**5-59.1-1. Legislative Intent.** The purpose of this chapter is to safeguard the public~~

1 ~~health to regulate the practice of orthotics and prosthetics by untrained and unethical persons.~~

2 ~~**5-59.1-2. Short title.**— This act shall be known and may be cited as "The Rhode Island~~
3 ~~Orthotics and Prosthetics Practices Act".~~

4 ~~**5-59.1-3. Definitions.**— As used in this chapter:~~

5 ~~(1) "ABC" means the American Board for Certification in Orthotics and Prosthetics or its~~
6 ~~successor agency.~~

7 ~~(2) "BOC" means the Board for Orthotist/Prosthetist Certification or its successor agency.~~

8 ~~(3) "Custom fabricated orthotics" or "custom made orthotics" means devices designed~~
9 ~~and fabricated, in turn, from raw materials for a specific patient and require the generation of an~~
10 ~~image, form, or mold that replicates the patient's body or body segment and, in turn, involves the~~
11 ~~rectification of an image.~~

12 ~~(4) "Department" means the Rhode Island department of health.~~

13 ~~(5) "Director" means the director of the department of health.~~

14 ~~(6) "Direct formed orthoses" means devices formed or shaped during the molding~~
15 ~~process directly on the patient's body or body segment.~~

16 ~~(7) "Licensed Orthotist" means a person licensed under this chapter to practice orthotics.~~

17 ~~(8) "Licensed Prosthetist" means a person licensed under this chapter to practice~~
18 ~~prosthetics.~~

19 ~~(9) "Off the shelf orthosis" means devices manufactured by companies registered with~~
20 ~~the Federal Food and Drug Administration other than devices designed for a particular person~~
21 ~~based on that particular person's condition.~~

22 ~~(10) "Orthosis" means a custom fabricated brace or support that is designed based on~~
23 ~~medical necessity. Orthosis does not include prefabricated or direct formed orthotic devices, as~~
24 ~~defined in this section, or any of the following assistive technology devices: commercially~~
25 ~~available knee orthoses used following injury or surgery; spastic muscle tone inhibiting orthoses;~~
26 ~~upper extremity adaptive equipment; finger splints; hand splints; wrist gauntlets; face masks used~~
27 ~~following burns; wheelchair seating that is an integral part of the wheelchair and not worn by the~~
28 ~~patient independent of the wheelchair; fabric or elastic supports; corsets; low temperature formed~~
29 ~~plastic splints; trusses; elastic hose; canes; crutches; cervical collars; dental appliances; and other~~
30 ~~similar devices as determined by the director, such as those commonly carried in stock by a~~
31 ~~pharmacy, department store, corset shop, or surgical supply facility.~~

32 ~~(11) "Orthotics" means the science and practice of evaluating, measuring, designing,~~
33 ~~fabricating, assembling, fitting, adjusting or, servicing, as well as providing the initial training~~
34 ~~necessary to accomplish the fitting of, an orthosis for the support, correction, or alleviation of~~

1 ~~neuromuscular or musculoskeletal dysfunction, disease, injury or deformity. The practice of~~
2 ~~orthotics encompasses evaluation, treatment, and consultation; with basic observational gait and~~
3 ~~postural analysis, orthotists assess and design orthoses to maximize function and provide not only~~
4 ~~the support but the alignment necessary to either prevent or correct deformity or to improve the~~
5 ~~safety and efficiency of mobility or locomotion, or both. Orthotic practice includes providing~~
6 ~~continuing patient care in order to assess its effect on the patient's tissues and to assure proper fit~~
7 ~~and function of the orthotic device by periodic evaluation.~~

8 ~~(12) "Orthotist" means an allied health professional who is specifically trained and~~
9 ~~educated to provide or manage the provision of a custom designed, fabricated, modified and~~
10 ~~fitted external orthosis to an orthotic patient, based on a clinical assessment and a physician's~~
11 ~~prescription, to restore physiological function and/or cosmesis, and certified by ABC or BOC.~~

12 ~~(13) "Physician" means a doctor of allopathic medicine (M.D.), osteopathic medicine~~
13 ~~(D.O.), podiatric medicine (D.P.M.), and chiropractic medicine (D.C.).~~

14 ~~(14) "Prefabricated orthoses" or "off shelf orthoses" means devices that are manufactured~~
15 ~~as commercially available stock items for no specific patient.~~

16 ~~(15) "Prosthesis" means an artificial limb that is alignable or, in lower extremity~~
17 ~~applications, capable of weight bearing. Prosthesis also means an artificial medical device that is~~
18 ~~not surgically implanted and that is used to replace a missing limb, appendage, or other external~~
19 ~~human body part including an artificial limb, hand, or foot. The term does not include artificial~~
20 ~~eyes, ears, noses, dental appliances, osotmy products, or devices such as eyelashes or wigs or~~
21 ~~artificial breasts.~~

22 ~~(16) "Prosthetics" means the science and practice of evaluation, measuring, designing,~~
23 ~~fabricating, assembling, fitting, aligning, adjusting or servicing, as well as providing the initial~~
24 ~~training necessary to accomplish the fitting of, a prosthesis through the replacement of external~~
25 ~~parts of a human body, lost due to amputation or congenital deformities or absences. The practice~~
26 ~~of prosthetics also includes the generation of an image, form, or mold that replicates the patient's~~
27 ~~body or body segment and that requires rectification of dimensions, contours and volumes for use~~
28 ~~in the design and fabrication of a socket to accept a residual anatomic limb to, in turn, create an~~
29 ~~artificial appendage that is designed either to support body weight or to improve or restore~~
30 ~~function or cosmesis, or both. Involved in the practice of prosthetics is observational gait analysis~~
31 ~~and clinical assessment of the requirements necessary to refine and mechanically fix the relative~~
32 ~~position of various parts of the prosthesis to maximize function, stability, and safety of the~~
33 ~~patient. The practice of prosthetics includes providing and continuing patient care in order to~~
34 ~~assess the prosthetic device's effect on the patient's tissues and to assure proper fit and function of~~

1 ~~the prosthetic device by periodic evaluation.~~

2 ~~(17) "Prosthetist" means a practitioner, certified by the ABC or BOC, who provides care~~
3 ~~to patients with partial or total absence of a limb by designing, fabricating, and fitting devices,~~
4 ~~known as prostheses. At the request of and in consultation with physicians, the prosthetist assists~~
5 ~~in formulation of prescriptions for prostheses, and examines and evaluates patients' prosthetic~~
6 ~~needs in relation to their disease entity and functional loss. In providing the prostheses, he or she~~
7 ~~is responsible for formulating its design, including selection of materials and components;~~
8 ~~making all necessary casts, measurements and model modifications; performing fittings including~~
9 ~~static and dynamic alignments; evaluating the prosthesis on the patient; instructing the patient in~~
10 ~~its use, and maintaining adequate patient records; all in conformity with the prescription.~~

11 ~~**5-59.1-4. Licensing of practitioners.**— The department shall issue to those persons~~
12 ~~eligible under the provisions of this chapter certificate licenses attesting to their qualifications to~~
13 ~~practice as certified licensed orthotists or prosthetists.~~

14 ~~**5-59.1-5. Application for orthotic or prosthetic license.**— Any person who desires to be~~
15 ~~licensed as set forth in § 5-59.1-4 shall in writing submit an application on forms provided by the~~
16 ~~department for a license accompanied by a fee as set forth in § 23-1-54 with all other credentials~~
17 ~~that the department requires and as required by this chapter. All the proceeds of any fees collected~~
18 ~~pursuant to the provisions of this chapter shall be deposited as general revenues.~~

19 ~~**5-59.1-6. Qualifications for license.**— (a) Qualification for licensing under this chapter~~
20 ~~shall be the possession of the title "certified prosthetist" or "certified orthotist", as issued by and~~
21 ~~under the rules of the American Board for Certification in Orthotics and Prosthetics, Inc. or the~~
22 ~~Board for Orthotist/Prosthetist certification. Evidence of the possession of that title shall be~~
23 ~~presented to the department.~~

24 ~~(b) In order to qualify for a license to practice orthotics or prosthetics a person shall~~
25 ~~provide proof of:~~

26 ~~(1) Possession of a baccalaureate degree from an accredited college or university;~~

27 ~~(2) Completion of an orthotic, or prosthetic education program that meets or exceeds the~~
28 ~~requirements of the National Commission on Orthotic and Prosthetic Education;~~

29 ~~(3) Completion of a clinical residency in orthotics and/or prosthetics that meets or~~
30 ~~exceeds the standards of the National Commission on Orthotic and Prosthetic Education; and~~

31 ~~(4) Current certification by ABC or BOC in the discipline for which the application~~
32 ~~corresponds.~~

33 ~~**5-59.1-7. Use of "licensed prosthetist" or "licensed orthotist" title.**— No person~~
34 ~~offering service to the public shall use the title licensed prosthetist or licensed orthotist or shall~~

1 use the abbreviation "L.P." or "L.O", or in any other way represent themselves as licensed
2 practitioners unless they hold a current license as provided in this chapter.

3 **5-59.1-8. Exceptions.**— This chapter shall not be construed to prohibit:

4 (a) A physician licensed in this state from engaging in the practice for which he or she is
5 licensed;

6 (b) The practice of orthotics or prosthetics by a person who is employed by the federal
7 government while in the discharge of the employee's official duties;

8 (c) The practice of orthotics or prosthetics by a resident continuing his or her clinical
9 education in a residency accredited by the National Commission on Orthotic and Prosthetic
10 Education;

11 (d) Consistent with his or her license, a licensed pharmacist, physical or occupational
12 therapist, or certified athletic trainer from engaging in his or her profession; or

13 (e) Measuring, fitting, or adjusting an off the shelf orthosis by employees or authorized
14 representatives of an orthosis manufacturer, which is registered with the Federal Food and Drug
15 Administration when such employee or representative is supervised by a physician.

16 **5-59.1-9. License and biannual renewal required.**— No person may practice orthotics
17 or prosthetics without a license issued under authority of this chapter, which license has not been
18 suspended or revoked as provided under this chapter, without renewal biannually, as provided in
19 § 5-59.1-12.

20 **5-59.1-10. Grandfather clause.**— Any person currently practicing full-time in the state
21 of Rhode Island on January 1, 2007 in an orthotist and/or prosthetic facility as a certified BOC or
22 ABC orthotist and/or prosthetist must file an application for licensure prior to sixty (60) days
23 after January 1, 2007 to continue practice at his or her identified level of practice. The applicant
24 must provide verifiable proof of active certification in orthotics and/or prosthetics by the ABC or
25 BOC. This section shall not be construed to grant licensing to a person who is a certified or
26 registered orthotic or prosthetic "fitter" or orthotic or prosthetic "assistant."

27 **5-59.1-11. Limitation on provisions of care and services.**— A licensed orthotist and/or
28 prosthetist may provide care and services only if care and services are provided pursuant to an
29 order from a licensed physician, unless the item which may be purchased without a prescription.

30 **5-59.1-12. Relicensing—Renewal.**— Every holder of a license issued under this chapter
31 shall biannually attest to the department as to current certification issued by the American Board
32 of Certification in Orthotics and Prosthetics or the Board for Orthotists/Prosthetist Certification.
33 All licenses issued under this chapter shall expire biannually on the last day of September of
34 every odd-numbered year. A biennial renewal fee as set forth in § 23-1-54 shall be required.

1 ~~Every orthotist and prosthetist shall conform to the standards of the American Board for~~
2 ~~Certification in Orthotics and Prosthetics or Board for Orthotists/Prosthetists Certification.~~

3 ~~**5-59.1-13. Rules and regulations.**— The department is authorized to promulgate such~~
4 ~~regulations as it deems necessary to implement the provisions of this chapter.~~

5 ~~**5-59.1-14. Responsibilities of the department.**— In addition to other authority provided~~
6 ~~by law, the department has the authority to:~~

7 ~~(1) Register applicants, issue licenses to applicants who have met the education, training~~
8 ~~and requirements for licensure, and deny licenses to applicants who do not meet the minimum~~
9 ~~qualifications;~~

10 ~~(2) Maintain the official department records of all applicants and licensees;~~

11 ~~(3) Establish requirements and procedures for an inactive license; and~~

12 ~~(4) Seek the advice and knowledge of the prosthetic and orthotic associations in this state~~
13 ~~on any matter relating to the enforcement of this chapter.~~

14 ~~**5-59.1-15. Penalty for violations.**— Any person, firm, corporation or association~~
15 ~~violating any of the provisions of this chapter is deemed to have committed a misdemeanor and~~
16 ~~upon conviction shall be punished by a fine not to exceed two hundred dollars (\$200), or~~
17 ~~imprisonment for a period not to exceed three (3) months, or both, and for a second or subsequent~~
18 ~~violation by a fine of not less than three hundred dollars (\$300) nor more than five hundred~~
19 ~~dollars (\$500), or imprisonment for one year, or both the fine and imprisonment.~~

20 ~~**5-59.1-16. Severability.**— If any provision of this chapter or of any rule or regulation~~
21 ~~made under this chapter, or the application of this chapter to any person or circumstances, is held~~
22 ~~invalid by a court of competent jurisdiction, the remainder of the chapter, rule or regulation, and~~
23 ~~the application of that provision to other persons or circumstances shall not be affected.~~

24 ~~**5-59.1-17. Advisory Board of orthotics and prosthetics practice—Composition—**~~

25 ~~**Appointment and terms—Powers and duties.**— (a) There is hereby created an advisory~~
26 ~~licensing board to review applications for licensure to obtain a license as an orthotist or~~
27 ~~prosthetist pursuant to this chapter of the general laws. The review of each applicant's licensing~~
28 ~~shall require that the applicant have completed an NCOPE (National Commission on Orthotic and~~
29 ~~Prosthetic Education); accredited residency under a board certified practitioner in the respective~~
30 ~~discipline; and meet all of the requirements of the chapter. The board shall conduct its interviews~~
31 ~~and/or investigation and shall report its findings to the director of the department of health.~~

32 ~~(b) The licensing board shall be composed of three (3) persons: the director of the~~
33 ~~department of health, or his or her designee; one board certified Rhode Island state licensed~~
34 ~~prosthetist; and one board certified Rhode Island state licensed orthotist. The board certified~~

~~1 orthotist and the board certified prosthetist shall be certified by the American Board of
2 Certification in orthotics and prosthetics and licensed by the State of Rhode Island, shall serve for
3 three (3) year terms and shall be selected by the board of directors of the Rhode Island Society of
4 Orthotists and Prosthetists, Inc. The members of the board shall serve without compensation.~~

5 SECTION 12. Sections 5-68.1-2, 5-68.1-4, 5-68.1-5, and 5-68.1-8 of the General Laws in
6 Chapter 5-68.1 entitled "Radiologic Technologists" are hereby amended to read as follows:

7 **5-68.1-2. Definitions.** – As used in this chapter:

8 (1) "Authorized user" means a licensed practitioner who meets the training and
9 experience requirements defined in rules and regulations promulgated pursuant to chapter 23-1.3.

10 (2) "Board" means the board of radiologic technology.

11 (3) "Department" means the Rhode Island department of health.

12 (4) "Director" means the director of the Rhode Island department of health.

13 (5) "Financial interest" means being:

14 (i) A licensed practitioner of radiologic technology; or

15 (ii) A person who deals in goods and services that are uniquely related to the practice of
16 radiologic technology; or

17 (iii) A person who has invested anything of value in a business that provides radiologic
18 technology services.

19 (6) "License" means a license issued by the director to practice radiologic technology.

20 (7) "Licensed practitioner" means an individual licensed to practice medicine,
21 chiropractic, or podiatry, or an individual licensed as a registered nurse practitioner or physician
22 assistant in this state.

23 (8) "Medical physicist" means an individual, other than a licensed practitioner, who
24 practices independently one or more of the subfields of medical physics, and is registered or
25 licensed under rules and regulations promulgated pursuant to section 23-1.3

26 (9) "National organization" means a professional association or registry, approved by the
27 director, that examines, registers, certifies or approves individuals and education programs
28 relating to operators of sources of radiation.

29 (10) "Nuclear medicine technologist" means an individual, other than a licensed
30 practitioner, who compounds, calibrates, dispenses and administers radiopharmaceuticals,
31 pharmaceuticals, and radionuclides under the general supervision of an authorized user for benefit
32 of performing a comprehensive scope of nuclear medicine procedures, and who has met and
33 continues to meet the licensure standards of this chapter.

34 (11) "Person" means any individual, corporation, partnership, firm, association, trust,

1 estate, public or private institution, group, agency, political subdivision of this state or any other
2 state, or political subdivision of any agency thereof and any legal successor, representative, agent
3 or agency of the foregoing.

4 (12) "Radiation therapist" means an individual, other than a licensed practitioner, who
5 utilizes ionizing radiation under the general supervision of an authorized user for the planning and
6 delivery of therapeutic procedures, and who has met and continues to meet the licensure
7 standards of this chapter.

8 (13) "Radiology technologist" also known as a "radiographer" means an individual, other
9 than a licensed practitioner, who performs a comprehensive scope of diagnostic radiologic
10 procedures under the general supervision of a licensed practitioner using external ionizing
11 radiation, resulting in radiographic or digital images, and who has met and continues to meet the
12 licensure standard of this chapter.

13 (14) "Radiologist" means a licensed practitioner specializing in radiology who is certified
14 by or eligible for certification by the American Board of Radiology or the American Osteopathic
15 Board of Radiology, the British Royal College of Radiology, or the Canadian College of
16 Physicians and Surgeons.

17 (15) "Radiologist assistant" means an unlicensed individual, other than a licensed
18 practitioner, who performs as an advanced level radiologic technologist and works under the
19 general supervision of a radiologist to enhance patient care by assisting the radiologist in the
20 medical imaging environment, and who ~~has met and continues to meet the licensure standards of~~
21 ~~this chapter~~ is certified by the American Registry of Radiologic Technologists, or by a
22 comparable national certifying board as approved by the director.

23 ~~(1516)~~(16) "Source of radiation" means any substance or device emitting or capable of
24 producing ionizing radiation, for the purpose of performing therapeutic or diagnostic radiologic
25 procedures on human beings.

26 ~~(1617)~~(17) "Student" means an individual enrolled in a course of study for medicine or
27 radiologic technology.

28 ~~(1718)~~(18) "Supervision" means and includes:

29 (i) "Direct supervision" means supervision and control by a licensed practitioner who
30 assumes legal liability for the services rendered by the radiologic technologist, which supervision
31 requires the physical presence of the licensed practitioner for consultation and direction of the
32 actions of the radiologic technologist.

33 (ii) "General supervision" means supervision whereby a licensed practitioner, who
34 assumes legal liability for the services rendered, authorizes the services to be performed by the

1 radiologic technologist, which supervision, except in cases of emergency, requires the easy
2 availability or physical presence of the licensed practitioner for consultation and direction of the
3 actions of the radiologic technologist.

4 **5-68.1-4. License required.** – (a) No individual shall practice radiologic technology or
5 shall represent themselves as practicing radiologic technology, unless they are licensed under this
6 chapter. The provisions of this section do not apply to:

7 (1) A licensed practitioner when practicing within his or her field of expertise.

8 (2) A student of medicine, when under the general supervision of an instructor who is a
9 radiologist and when acting within the scope of practice.

10 (3) A dentist, licensed dental hygienist or certified dental assistant when practicing within
11 his or her field of expertise.

12 (4) A podiatry assistant who has received a "certificate of completion" from the
13 Community College of Rhode Island or other equivalent training approved by the board, after
14 having taken and passed the course on "radiography for podiatry assistance" and when acting
15 within the practice of podiatry.

16 (5) A medical physicist when practicing within his or her field of expertise.

17 (6) A licensed healthcare provider at a licensed ambulatory care facility on Block Island
18 and where the director of health determines a waiver of the licensure requirements to be in the
19 interest of public health.

20 [\(7\) A radiologist assistant who is certified by the American Registry of Radiologic](#)
21 [Technologists, or by a comparable national certifying board as approved by the director.](#)

22 (b) Nothing in this chapter is intended to limit, preclude or interfere with the practice of
23 persons and health care providers licensed by appropriate agencies of Rhode Island.

24 (c) This chapter does not prohibit an individual enrolled in an approved school of
25 radiologic technology, under the direct supervision of a radiologist or a licensed radiologic
26 technologist, from performing those duties essential for completion of a student's clinical service.

27 (d) This chapter is not intended to supersede the mammography rules and regulations
28 promulgated pursuant to § 23-17-32.

29 **5-68.1-5. Licensure standards.** – (a) The director shall develop standards for licensure
30 of the following categories of radiologic technology:

31 (1) Radiographer;

32 (2) Nuclear medicine technologist;

33 (3) Radiation therapist; and

34 ~~(4) Radiologist assistant.~~

1 (b) The director may promulgate rules and regulations which authorize additional
2 categories of licensure, consistent with a radiologic technology certification established by the
3 American Registry of Radiologic Technologists, the Nuclear Medicine Technology Certification
4 Board or other national organization.

5 (c) The director may promulgate rules and regulations that establish requirements for
6 radiologic technologist authorization to operate hybrid imaging modalities, including, but not
7 limited to, a combination nuclear medicine-computed tomography device.

8 **5-68.1-8. Other licensing provisions.** – (a) Each radiologic technologist license issued
9 by the director shall only specify one category of radiologic technology. An individual qualified
10 to practice more than one category of radiologic technology shall submit a separate application
11 for each category to be licensed. Each radiologic technologist license issued by the director shall
12 indicate, as appropriate, that the individual is a licensed radiographer, a licensed nuclear medicine
13 technologist, a licensed radiation therapist, ~~a licensed radiologist assistant~~ or other category of
14 radiologic technology license established by the director pursuant to subsection 5-68.1-5(c).

15 (b) Unless licensed as a radiologic technologist pursuant to this chapter, no individual
16 shall use any title or abbreviation to indicate that the individual is a licensed radiologic
17 technologist.

18 (1) An individual holding a license as a radiographer may use the title "Licensed
19 Radiologic Technologist-Radiographer" or the letters "LRT-R" after his or her name.

20 (2) An individual holding a license as a radiation therapy technologist may use the title
21 "Licensed Radiologic Technologist-Therapy" or the letters "LRT-T" after his or her name.

22 (3) An individual holding a license as a nuclear medicine technologist may use the title
23 "Licensed Radiologic Technologist-Nuclear Medicine" or the letters "LRT-N" after his or her
24 name.

25 ~~(4) An individual holding a license as a radiologist assistant may use the title "Licensed~~
26 ~~Radiologist Assistant" or the letters "LRA" after his or her name.~~

27 (c) A valid license issued pursuant to this chapter shall be carried on the person of the
28 radiologic technologist while performing the duties for which the license is required.

29 (d) Licenses, with the exception of initial licenses, shall be issued for a period of two (2)
30 years.

31 (e) The director shall promulgate rules and regulations which specify a renewal date for
32 all licenses issued pursuant to this chapter.

33 (f) The director shall promulgate rules and regulations which specify the minimum
34 continuing education credits required for renewal of a radiologic technologist license. Failure to

1 attest to completion of the minimum continuing education credits shall constitute grounds for
2 revocation, suspension or refusal to renew the license.

3 SECTION 13. Section 5-68.1-9 of the General Laws in Chapter 5-68.1 entitled
4 “Radiologic Technologists” is hereby repealed.

5 ~~**5-68.1-9. Special requirements pertaining to licensure of radiologist assistants.**— (a)~~
6 ~~The director shall promulgate rules and regulations that delineate the specific duties allowed for a~~
7 ~~licensed radiologist assistant. These duties shall be consistent with guidelines adopted by the~~
8 ~~American College of Radiology, the American Society of Radiologic Technologists and the~~
9 ~~American Registry of Radiologic Technologists, with the level of supervision required by such~~
10 ~~guidelines.~~

11 ~~(b) A licensed radiologist assistant is specifically not authorized to:~~

12 ~~(1) Perform nuclear medicine or radiation therapy procedures unless currently licensed~~
13 ~~and trained to perform those duties under the individual's nuclear medicine technologist or~~
14 ~~radiation therapy technologist license;~~

15 ~~(2) Interpret images;~~

16 ~~(3) Make diagnoses; and~~

17 ~~(4) Prescribe medications or therapies.~~

18 SECTION 14. Section 16-11.1-1 of the General Laws in Chapter 16-11.1 entitled
19 “Certification of Athletic Coaches” is hereby amended to read as follows:

20 ~~**16-11.1-1. Certification of athletic coaches — Athletic coaches — Red cross first aid**~~
21 ~~**course required.** — **Athletic coaches - First aid course required.** — The department of~~
22 ~~elementary and secondary education shall promulgate rules and regulations concerning the~~
23 ~~necessary requirements for first aid certification for any person who coaches in any athletic~~
24 ~~program in any school supported wholly or in part by public money. ~~No person shall coach in any~~~~
25 ~~athletic program in any school supported wholly or in part by public money unless the person~~
26 ~~shall have acquired a certificate of qualification issued by or under the authority of the~~
27 ~~department of elementary and secondary education which indicates that the person has, no more~~
28 ~~than three (3) years prior to the application for certification, successfully completed the minimum~~
29 ~~of a red cross first aid course or a comparable course approved by the department of elementary~~
30 ~~and secondary education. Participating schools shall require annual proof of current and valid first~~
31 ~~aid training from all coaches in their athletic programs.~~

32 SECTION 15. Section 20-2-30 of the General Laws in Chapter 20-2 entitled “Licensing”
33 is hereby amended to read as follows:

34 **20-2-30. Fur trapping and buying licenses.** — (a)(1) Fur trapper – Resident: ten dollars

1 (\$10.00);

2 (2) Fur trapper – Non-resident: thirty dollars (\$30.00);

3 ~~(3) Fur buyer – Resident: ten dollars (\$10.00);~~

4 ~~(4) Fur buyer – Non resident: thirty dollars (\$30.00).~~

5 (b) Fur trapper and fur buyer licenses expire on the last day of March of each year.

6 ~~SECTION 16. Sections 20-16-14 and 20-16-15 of the General Laws in Chapters 20-16~~
7 ~~entitled "Fur-bearing Animals" are hereby repealed.~~

8 ~~**20-16-14. Fur buyer's license.**— No person, firm, or corporation shall purchase raw furs~~
9 ~~within this state unless the person, firm or corporation has a valid fur buyer's license. Raw fur~~
10 ~~buyer's licenses shall be issued by the department upon application and payment of license fees as~~
11 ~~provided in chapter 2 of this title.~~

12 ~~**20-16-15. Fur buyers — Records and reports.**— All licensed fur buyers shall keep~~
13 ~~records of purchase of furs within the state, which shall be open to the inspection by personnel of~~
14 ~~the department of environmental management at all times. A complete and accurate record of~~
15 ~~purchases within the state shall be furnished to the department upon request. Failure to do so~~
16 ~~within fourteen (14) days may be punishable by forfeiture of license and no future license shall be~~
17 ~~granted if, in the opinion of the director, information is being deliberately withheld.~~

18 SECTION 17. Sections 23-16.2-2, 23-16.2-6 and 23-16.2-7 of the General Laws in
19 Chapter 23-16.2 entitled "Laboratories" are hereby amended to read as follows:

20 **23-16.2-2. Definitions.** –When used in this chapter:

21 (1) "Analytical laboratory" means a facility for the biological, microbiological, chemical,
22 physical, and radiochemical examination of potable water, nonpotable water or other
23 environmental matrices.

24 (2) "Clinical laboratory" means a facility for the biological, microbiological, serological,
25 chemical, immunohematological, hematological, radiobioassay, cytological, pathological, or
26 other examination of materials derived from the human body for the purposes of providing
27 information for the diagnosis, prevention, or treatment of any disease or impairment of or the
28 assessment of the health of human beings.

29 (3) "Director" means the director of the department of health.

30 (4) "Persons" means any individual, firm, partnership, corporation, company, association,
31 or joint stock association.

32 (5) "Station" means a facility for the collection, processing, and transmission of the
33 materials described in subdivisions (1) and (2) for the purposes described in subdivisions (1) and
34 (2).

1 (6) "Certification" means the determination by the department of health that an analytical
2 laboratory is capable of performing specific tests or analyses of environmental samples in
3 accordance with the requirements of the regulations promulgated pursuant to this chapter.

4 (7) "Clinical laboratory test" or "laboratory test" means a microbiological, serological,
5 chemical, hematological, radiobioassay, cytological, immunological, or other pathological
6 examination which is performed on material derived from the human body, the test or procedure
7 conducted by a clinical laboratory which provides information for the diagnosis, prevention, or
8 treatment of a disease or assessment of a medical condition.

9 (8) "Nationally recognized certification examination" means an appropriate examination,
10 as determined by the director, covering both academic and practical knowledge, including, but
11 not limited to, those offered by the American Society of Clinical Pathologists (ASCP), American
12 Medical Technologists (AMT), National Credentialing Agency (NCA), or the American
13 Association of Bioanalysts Board of Registry (AAB), and including any appropriate categorical
14 or specialty examinations.

15 **23-16.2-6. Issuance or denial of license.** – Not less than thirty (30) days from the time
16 any application for the license is received, the director shall grant the application and issue a
17 license to maintain a laboratory or station if the director shall be satisfied that the applicant
18 complies with the rules and regulations promulgated in accordance with this chapter, establishing
19 standards for the qualifications of personnel and adequacy of equipment and facilities. The
20 standards for qualification of personnel who perform clinical laboratory tests shall require, as a
21 minimum, successful completion of a nationally recognized certification examination.
22 Notwithstanding this requirement, the director may establish, by regulation, alternative criteria for
23 individuals who previously qualified under federal regulatory requirements, such as 42 CFR §
24 493.1433 of the March 14, 1990 federal register, or other criteria which may be established to
25 have met the requirements of this chapter. ~~shall include provision for minimum standards of~~
26 ~~professional education or experience, as determined by the director. The director may provide for~~
27 ~~the examination of applicants to determine their qualifications.~~ Notwithstanding the preceding
28 statements in this section, upon payment of any applicable license fees, the director may grant
29 immediate licensure to any clinical laboratory licensed as a clinical laboratory in another state and
30 certified under the Clinical Laboratory Improvement Act of 1988, when the clinical laboratory
31 has been asked to perform a clinical laboratory service which is not offered by any other clinical
32 laboratory then licensed in this state.

33 **23-16.2-7. Suspension and revocation of license.** – (a) The department of health may
34 revoke or suspend the license or specific certification of any laboratory or station for conduct by

1 or chargeable to the laboratory or stations as follows:

2 (1) Failure to observe any term of the license or specific certification issued under
3 authority of this chapter by the department of health;

4 (2) Failure to observe any order made under authority of this chapter or under the
5 statutory authority vested in the department of health;

6 (3) Engaging in, aiding, abetting, causing, or permitting any action prohibited under this
7 chapter;

8 (4) Failing to observe any regulations promulgated by the department of health.

9 (b) Whenever the director shall have reason to believe that any laboratory or station, for
10 the maintenance of which the director has issued a license or specific certification as provided for
11 in § 23-16.2-4, is being maintained in violation of the rules and regulations provided in § 23-16.2-
12 5, the director may, pending an investigation and hearing, suspend for a period not exceeding
13 thirty (30) days, any license or specific certification issued under authority of this chapter and
14 may, after due notice and hearing, revoke the license or specific certification if the director finds
15 that the laboratory or station is being maintained in violation of the rules and regulations. The
16 holder of a license shall upon its revocation promptly surrender the license or specific
17 certification to the director.

18 (c) The director may revoke or suspend the license, or may impose appropriate fines as
19 promulgated in regulation, of any laboratory or station that does not ensure that all personnel
20 meet the requirements of this chapter.

21 SECTION 18. Chapter 23-16.3 of the General Laws entitled "Clinical Laboratory Science
22 Practice" is hereby repealed in its entirety.

23 ~~CHAPTER 23-16.3~~

24 ~~Clinical Laboratory Science Practice~~

25 ~~**23-16.3-1. Short title.** -- This chapter shall be known and may be cited as the "Clinical~~
26 ~~Laboratory Science Practice Act".~~

27 ~~**23-16.3-2. Declaration of policy and statement of purpose.** -- It is declared to be a~~
28 ~~policy of the state that the practice of clinical laboratory science by health care professionals~~
29 ~~affects the public health, safety, and welfare and is subject to control and regulation in the public~~
30 ~~interest. It is further declared that clinical laboratories and clinical laboratory science practitioners~~
31 ~~provide essential services to practitioners of the healing arts by furnishing vital information which~~
32 ~~may be used in the diagnosis, prevention, and treatment of disease or impairment and the~~
33 ~~assessment of the health of humans. The purpose of this chapter is to provide for the better~~
34 ~~protection of public health by providing minimum qualifications for clinical laboratory science~~

1 ~~practitioners, and by ensuring that clinical laboratory tests are performed with the highest degree~~
2 ~~of professional competency by those engaged in providing clinical laboratory science services in~~
3 ~~the state.~~

4 ~~**23-16.3 3. Definitions.** -- The following words and terms when used in this chapter have~~
5 ~~the following meaning unless otherwise indicated within the context:~~

6 ~~(1) "Accredited clinical laboratory program" means a program planned to provide a~~
7 ~~predetermined amount of instruction and experience in clinical laboratory science that has been~~
8 ~~accredited by one of the accrediting agencies recognized by the United States Department of~~
9 ~~Education.~~

10 ~~(2) "Board" means the clinical laboratory science board appointed by the director of~~
11 ~~health.~~

12 ~~(3) "Clinical laboratory" or "laboratory" means any facility or office in which clinical~~
13 ~~laboratory tests are performed.~~

14 ~~(4) "Clinical laboratory science practitioner" or "one who engages in the practice of~~
15 ~~clinical laboratory science" means a health care professional who performs clinical laboratory~~
16 ~~tests or who is engaged in management, education, consulting, or research in clinical laboratory~~
17 ~~science, and includes laboratory directors, supervisors, clinical laboratory scientists~~
18 ~~(technologists), specialists, and technicians working in a laboratory, but does not include persons~~
19 ~~employed by a clinical laboratory to perform supportive functions not related to direct~~
20 ~~performance of laboratory tests and does not include clinical laboratory trainees. Provided,~~
21 ~~however, nothing contained in this chapter shall apply to a clinical perfusionist engaged in the~~
22 ~~testing of human laboratory specimens for extracorporeal functions, which shall include those~~
23 ~~functions necessary for the support, treatment, measurement, or supplementation of the~~
24 ~~cardiopulmonary or circulatory system of a patient.~~

25 ~~(5) "Clinical laboratory scientist" and/or "technologist" means a person who performs~~
26 ~~clinical laboratory tests pursuant to established and approved protocols requiring the exercise of~~
27 ~~independent judgment and responsibility, maintains equipment and records, performs quality~~
28 ~~assurance activities related to test performance, and may supervise and teach within a clinical~~
29 ~~laboratory setting.~~

30 ~~(6) "Clinical laboratory technician" means a person who performs laboratory tests~~
31 ~~pursuant to established and approved protocols which require limited exercise of independent~~
32 ~~judgment and which are performed under the personal and direct supervision of a clinical~~
33 ~~laboratory scientist (technologist), laboratory supervisor, or laboratory director.~~

34 ~~(7) "Clinical laboratory test" or "laboratory test" means a microbiological, serological,~~

1 ~~chemical, hematological, radiobioassay, cytological, immunological, or other pathological~~
2 ~~examination which is performed on material derived from the human body, the test or procedure~~
3 ~~conducted by a clinical laboratory which provides information for the diagnosis, prevention, or~~
4 ~~treatment of a disease or assessment of a medical condition.~~

5 ~~(8) "Department" means the Rhode Island department of health.~~

6 ~~(9) "Director" means the director of the Rhode Island department of health.~~

7 ~~(10) "Limited function test" means a test conducted using procedures which as~~
8 ~~determined by the director have an insignificant risk of an erroneous result, including those~~
9 ~~which:~~

10 ~~(i) Have been approved by the United States Food and Drug Administration for home~~
11 ~~use;~~

12 ~~(ii) Employ methodologies that are so simple and accurate as to render the likelihood of~~
13 ~~erroneous results negligible; or~~

14 ~~(iii) The director has determined pose no reasonable risk of harm to the patient if~~
15 ~~performed incorrectly.~~

16 **23-16.3-4. Exceptions.** ~~--- This chapter shall not apply to:~~

17 ~~(1) Any person performing clinical laboratory tests within the scope of his or her practice~~
18 ~~and for which he or she is licensed pursuant to any other provisions of the general laws.~~

19 ~~(2) Clinical laboratory science practitioners employed by the United States government~~
20 ~~or any bureau, division, or agency of the United States government while in the discharge of the~~
21 ~~employee's official duties.~~

22 ~~(3) Clinical laboratory science practitioners engaged in teaching or research, provided~~
23 ~~that the results of any examination performed are not used in health maintenance, diagnosis, or~~
24 ~~treatment of disease.~~

25 ~~(4) Students or trainees enrolled in a clinical laboratory science education program~~
26 ~~provided that these activities constitute a part of a planned course in the program, that the persons~~
27 ~~are designated by title such as intern, trainee, or student, and the persons work directly under the~~
28 ~~supervision of an individual licensed by this state to practice laboratory science.~~

29 ~~(5) Individuals performing limited function tests.~~

30 **23-16.3-5. License required.** ~~--- (a) No person shall practice clinical laboratory science or~~
31 ~~hold himself or herself out as a clinical laboratory science practitioner in this state unless he or~~
32 ~~she is licensed pursuant to this chapter.~~

33 ~~(b) All persons who were engaged in the practice of clinical laboratory science on July 1,~~
34 ~~1992, who are certified by or eligible for certification by an agency approved by the department~~

1 of health, and who have applied to the department of health on or before July 1, 1994, and have
2 complied with all necessary requirements for the application, may continue to perform clinical
3 laboratory tests until July 1, 1995 unless the application is denied by the department of health, or
4 the withdrawal of the application, whichever occurs first.

5 ~~(c) Persons not meeting the education, training, and experience qualifications for any~~
6 ~~license described in this chapter may be considered to have met the qualifications providing they~~
7 ~~have:~~

8 ~~(1) Three (3) years acceptable experience between January 1, 1986 and January 1, 1996~~
9 ~~and submits to the department of health the job description of the position which the applicant has~~
10 ~~most recently performed attested to by his or her employer and notarized; or~~

11 ~~(2) No less than twelve (12) years acceptable experience prior to 1993 and submits to the~~
12 ~~department of health the job description of the position which the applicant has most recently~~
13 ~~performed attested to by his or her employer and notarized on or before December 1, 2001.~~

14 ~~(d) After December 1, 2001, no initial license shall be issued until an applicant meets all~~
15 ~~of the requirements under this chapter, and successfully completes a nationally recognized~~
16 ~~certification examination, such as NCA, DHHS, ASCP, state civil service examination, or others~~
17 ~~including appropriate categorical and specialty exams. Provided, however, that the provisions of~~
18 ~~this subsection shall not be available to any individual who has been previously denied a license~~
19 ~~as a clinical laboratory science practitioner by the department of health.~~

20 ~~**23-16.3-6. Administration.** (a) There is created within the division of professional~~
21 ~~regulation of the department of health a clinical laboratory advisory board which shall consist of~~
22 ~~seven (7) persons who have been residents of the state for at least two (2) years prior to their~~
23 ~~appointment, and who are actively engaged in their areas of practice. The director of the~~
24 ~~department of health, with the approval of the governor, shall make appointments to the board~~
25 ~~from lists submitted by organizations of clinical laboratory science practitioners and~~
26 ~~organizations of physicians and pathologists.~~

27 ~~(b) The board shall be composed of:~~

28 ~~(1) One physician certified by the American Board of Pathology or American Board of~~
29 ~~Osteopathic Pathology;~~

30 ~~(2) One physician who is not a laboratory director and is not a pathologist;~~

31 ~~(3) Four (4) clinical laboratory science practitioners, at least one of whom is a non-~~
32 ~~physician laboratory director, one of whom is a clinical laboratory scientist (technologist), and~~
33 ~~one of whom is a clinical laboratory technician, and who, except for the initial appointments, hold~~
34 ~~active and valid licenses as clinical laboratory science practitioners in this state and one of whom~~

1 ~~is a clinical laboratory science practitioner not falling in one of the first three (3) categories; and~~

2 ~~(4) One public member who is not associated with or financially interested in the~~
3 ~~practice of clinical laboratory science.~~

4 ~~(c) Board members shall serve for a term of three (3) years, and until their successors are~~
5 ~~appointed and qualified, except that the initial appointments, which shall be made within sixty~~
6 ~~(60) days after July 1, 1992, shall be as follows:~~

7 ~~(1) One pathologist, one non-physician laboratory director, and one clinical laboratory~~
8 ~~scientist, shall be appointed to serve for three (3) years;~~

9 ~~(2) One public representative and one non-pathologist physician, shall be appointed to~~
10 ~~serve for two (2) years; and~~

11 ~~(3) The remaining members shall be appointed to serve for one year.~~

12 ~~(d) The membership of the board shall receive no compensation for their services.~~

13 ~~(e) Whenever a vacancy shall occur on the board by reason other than the expiration of a~~
14 ~~term of office, the director of the department of health with the approval of the governor shall~~
15 ~~appoint a successor of like qualifications for the remainder of the unexpired term. No person shall~~
16 ~~be appointed to serve more than two (2) successive three (3) year terms.~~

17 ~~**23-16.3-7. Duties and powers of the clinical laboratory advisory board.**~~ In addition
18 to any other power conferred upon the board pursuant to this chapter, the board shall recommend
19 to the director:

20 ~~(1) Rules and regulations for the implementation of this chapter including, but not~~
21 ~~limited to, regulations that delineate qualifications for licensure of clinical laboratory science~~
22 ~~practitioners as defined in this chapter, specify requirements for the renewal of licensure,~~
23 ~~establish standards of professional conduct, and recommend on the amendment or on the repeal~~
24 ~~of the rules and regulations. Following their adoption, the rules and regulations shall govern and~~
25 ~~control the professional conduct of every person who holds a license to perform clinical~~
26 ~~laboratory tests or otherwise engages in the profession of clinical laboratory science;~~

27 ~~(2) Standard written, oral, or practical examinations for purposes of licensure of clinical~~
28 ~~laboratory science practitioners as provided for in § 23-16.3-5;~~

29 ~~(3) Rules and regulations governing qualifications for licensure of specialists in those~~
30 ~~clinical laboratory science specialties that the board may determine in accordance with § 23-16.3-~~
31 ~~8(e);~~

32 ~~(4) Rules and regulations governing personnel performing tests in limited function~~
33 ~~laboratories;~~

34 ~~(5) A schedule of fees for applications and renewals;~~

1 ~~(6) Establish criteria for the continuing education of clinical laboratory science~~
2 ~~practitioners as required for license renewal;~~

3 ~~(7) Any other rules and regulations necessary to implement and further the purpose of~~
4 ~~this chapter.~~

5 ~~**23-16.3-8. Standards for licensure.** -- (a) Clinical laboratory scientist (technologist).--~~
6 ~~The department of health shall issue a clinical laboratory scientist's license to an individual who~~
7 ~~meets the qualifications developed by the board, including at least one of the following~~
8 ~~qualifications:~~

9 ~~(1) A baccalaureate degree in clinical laboratory science (medical technology) from an~~
10 ~~accredited college or university whose curriculum included appropriate clinical education;~~

11 ~~(2) A baccalaureate degree in biological, chemical, or physical science from an~~
12 ~~accredited college or university, and subsequent to graduation has at least twelve (12) months of~~
13 ~~appropriate clinical education in an accredited clinical laboratory science program;~~

14 ~~(3) A baccalaureate degree which includes a minimum of thirty six (36) semester (or~~
15 ~~equivalent) hours in the biological, chemical, and physical sciences from an accredited college or~~
16 ~~university plus two (2) years of full time work experience including a minimum of four (4)~~
17 ~~months in each of the four (4) major disciplines of laboratory practice (clinical chemistry, clinical~~
18 ~~microbiology, hematology, immunology/immunohematology); or~~

19 ~~(4) A baccalaureate degree consisting of ninety (90) semester (or equivalent) hours,~~
20 ~~thirty six (36) of which must be in the biological, chemical, or physical sciences, from an~~
21 ~~accredited university, and appropriate clinical education in an accredited clinical laboratory~~
22 ~~science program.~~

23 ~~(5) A clinical laboratory scientist (technologist) who previously qualified under federal~~
24 ~~regulatory requirements such as 42 CFR § 493.1433 of the March 14, 1990 federal register or~~
25 ~~other regulations or criteria which may be established by the board.~~

26 ~~(b) Clinical laboratory technician.--- The department of health shall issue a clinical~~
27 ~~laboratory technician's license to an individual who meets the qualifications promulgated by the~~
28 ~~board, including at least one of the following qualifications:~~

29 ~~(1) An associate degree or completion of sixty (60) semester (or equivalent) hours from a~~
30 ~~clinical laboratory technician program (MLT or equivalent) accredited by an agency recognized~~
31 ~~by the United States Department of Education that included a structured curriculum in clinical~~
32 ~~laboratory techniques;~~

33 ~~(2) A high school diploma (or equivalent) and (i) completion of twelve (12) months in a~~
34 ~~technician training program in an accredited school such as CLA (ASCP) clinical laboratory~~

1 ~~assistant (American Society of Clinical Pathologists), and MLT-C medical laboratory technician-~~
2 ~~certificate programs approved by the board; or (ii) successful completion of an official military~~
3 ~~medical laboratory procedure course of at least fifty (50) weeks duration and has held the military~~
4 ~~enlisted occupational specialty of medical laboratory specialist (laboratory technician); or~~

5 ~~(3) A clinical laboratory technician who previously qualified under federal regulatory~~
6 ~~requirements such as 42 CFR § 493.1441 of the March 14, 1990 federal register which meet or~~
7 ~~exceed the requirements for licensure set forth by the board.~~

8 ~~(c) Clinical histologic technician.—The department of health shall issue a clinical~~
9 ~~histologic technician license to an individual who meets the qualifications promulgated by the~~
10 ~~board, including at least one of the following:~~

11 ~~(1) Associate degree or at least sixty (60) semester hours (or equivalent) from an~~
12 ~~accredited college/university to include a combination of mathematics and at least twelve (12)~~
13 ~~semester hours of biology and chemistry, and successfully complete an accredited program in~~
14 ~~histologic technique or one full year of training in histologic technique under the supervision of a~~
15 ~~certified histotechnologist or an appropriately certified histopathology supervisor with at least~~
16 ~~three (3) years experience.~~

17 ~~(2) High school graduation (or equivalent) and two (2) years full time acceptable~~
18 ~~experience under the supervision of a certified/licensed clinical histologic technician at a licensed~~
19 ~~clinical laboratory in histologic technique.~~

20 ~~(d) Cytotechnologist.—The department of health shall issue a cytotechnologist license to~~
21 ~~an individual who meets the qualifications promulgated by the board including at least one of the~~
22 ~~following:~~

23 ~~(1) A baccalaureate degree from an accredited college or university with twenty (20)~~
24 ~~semester hours (30 quarter hours) of biological science, eight (8) semester hours (12 quarter~~
25 ~~hours) of chemistry, and three (3) semester hours (4 quarter hours) of mathematics and successful~~
26 ~~completion of a twelve (12) month cytotechnology program.~~

27 ~~(2) A baccalaureate degree from an accredited college or university with twenty (20)~~
28 ~~semester hours (30 quarter hours) of biological science, eight (8) semester hours (12 quarter~~
29 ~~hours) of chemistry, and three (3) semester hours (4 quarter hours) of mathematics and five (5)~~
30 ~~years full time acceptable clinical laboratory experience including cytopreparatory techniques,~~
31 ~~microscopic analysis, and evaluation of the body systems within the last ten (10) years. At least~~
32 ~~two (2) of these years must be subsequent to the completion of the academic component and at~~
33 ~~least two (2) years must be under the supervision of a licensed physician who is a pathologist,~~
34 ~~certified, or eligible for certification, by the American Board of Pathology in anatomic pathology~~

1 ~~or has other suitable qualifications acceptable to the board.~~

2 ~~(3) A cytotechnologist who previously qualified under federal regulatory requirements~~
3 ~~such as 42 CFR § 493.1437 of the March 14, 1990 federal register.~~

4 ~~(e) The board shall recommend standards for any other clinical laboratory science~~
5 ~~practitioners specializing in areas such as nuclear medical technology, radioimmunoassay,~~
6 ~~electron microscopy, forensic science, molecular biology, or similar recognized academic and~~
7 ~~scientific disciplines with approval of the director of health.~~

8 ~~**23-16.3-9. Waiver of requirements.** The board shall recommend regulations~~
9 ~~providing procedures for waiver of the requirements of § 23-16.3-8 for all applicants who hold a~~
10 ~~valid license or its equivalent issued by another state; provided that the requirements under which~~
11 ~~that license or its equivalent was issued to meet or exceed the standards required by this chapter~~
12 ~~with the approval of the director. The board may also recommend regulations it deems~~
13 ~~appropriate with respect to individuals who hold valid licenses or their equivalent in other~~
14 ~~countries.~~

15 ~~**23-16.3-10. Licensure application procedures.** (a) Licensure applicants shall submit~~
16 ~~their application for licensure to the department of health upon the forms prescribed and furnished~~
17 ~~by the department of health, and shall pay the designated application or examination fee.~~

18 ~~(b) Upon receipt of application and payment of a fee, the department of health shall issue~~
19 ~~a license for a clinical laboratory scientist or technologist, a clinical laboratory technician, or an~~
20 ~~appropriate specialty license to any person who meets the qualifications specified in this chapter~~
21 ~~and the regulations promulgated under this chapter.~~

22 ~~(c) The board may recommend a procedure for issuance of temporary permits to~~
23 ~~individuals otherwise qualified under this chapter who intend to engage in clinical laboratory~~
24 ~~science practice in this state for a limited period of time not to exceed eighteen (18) months.~~

25 ~~(d) The board may recommend a procedure for issuance of provisional licenses to~~
26 ~~individuals who otherwise qualify under this chapter but are awaiting the results of certification~~
27 ~~examinations. A provisional license so issued shall be converted to a license under the provisions~~
28 ~~of § 23-16.3-8 or expire not more than twelve (12) months after issuance. At the discretion of the~~
29 ~~board, the provisional license may be reissued at least one time with the director's approval.~~

30 ~~**23-16.3-11. Licensure renewal.** (a) Licenses issued pursuant to this chapter shall~~
31 ~~expire on a date and time specified by the department of health.~~

32 ~~(b) Every person licensed pursuant to this chapter shall be issued a renewal license every~~
33 ~~two (2) years upon:~~

34 ~~(1) Submission of an application for renewal on a form prescribed by the department of~~

1 ~~health and payment of an appropriate fee recommended by the board; and~~

2 ~~(2) Proof of completion, in the period since the license was first issued or last renewed,~~
3 ~~of at least thirty (30) hours of continuing education courses, clinics, lectures, training programs,~~
4 ~~seminars, or other programs related to clinical laboratory practice which are approved or accepted~~
5 ~~by the board; or proof of re-certification by a national certification organization that mandates an~~
6 ~~annual minimum of fifteen (15) hours of continuing education, such as the National Certification~~
7 ~~Agency for Medical Laboratory Personnel.~~

8 ~~(c) The board may recommend any other evidence of competency it shall deem~~
9 ~~reasonably appropriate as a prerequisite to the renewal of any license provided for by this chapter,~~
10 ~~as long as these requirements are uniform as to application, are reasonably related to the~~
11 ~~measurement of qualification, performance, or competence, and are desirable and necessary for~~
12 ~~the protection of the public health.~~

13 ~~**23-16.3-12. Disciplinary requirements.** -- The board may recommend to the director of~~
14 ~~health issuance, renewal, or revocation of a license, or suspension, placement on probation,~~
15 ~~censure, or reprimand of a licensee, or any other disciplinary action that the board may deem~~
16 ~~appropriate, including the imposition of a civil penalty, for conduct that may result from, but not~~
17 ~~necessarily be limited to:~~

18 ~~(1) A material misstatement in furnishing information to the department of health;~~

19 ~~(2) A violation or negligent or intentional disregard of this chapter, or of the rules or~~
20 ~~regulations promulgated under this chapter;~~

21 ~~(3) A conviction of any crime under the laws of the United States or any state or territory~~
22 ~~of the United States which is a felony or which is a misdemeanor, an essential element of which~~
23 ~~is dishonesty, or of any crime which is directly related to the practice of the profession;~~

24 ~~(4) Making any misrepresentation for the purpose of obtaining registration or violating~~
25 ~~any provision of this chapter;~~

26 ~~(5) Violating any standard of professional conduct adopted by the board;~~

27 ~~(6) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely~~
28 ~~to deceive, defraud, or harm the public;~~

29 ~~(7) Providing professional services while mentally incompetent, under the influence of~~
30 ~~alcohol or narcotic or controlled dangerous substance that is in excess of therapeutic amounts or~~
31 ~~without valid medical indication;~~

32 ~~(8) Directly or indirectly contracting to perform clinical laboratory tests in a manner~~
33 ~~which offers or implies an offer of rebate, fee splitting inducements or arrangements, or other~~
34 ~~unlawful remuneration; or~~

1 ~~(9) Aiding or assisting another person in violating any provision of this chapter or any~~
2 ~~rule adopted under this chapter.~~

3 ~~**23-16.3-13. Hearing requirements -- Procedure.** (a) The proceedings for the~~
4 ~~revocation, suspension or limiting of any license may be initiated by any person, corporation,~~
5 ~~association, or public officer or by the board by the filing of written charges with the board, but~~
6 ~~no license shall be revoked, suspended, or limited without a hearing before the board within sixty~~
7 ~~(60) days after the filing of written charges in accordance with the procedures established by the~~
8 ~~board. A license may be temporarily suspended without a hearing for the period not to exceed~~
9 ~~thirty (30) days upon notice to the licensee following a finding by the board that there exists a~~
10 ~~significant threat to the public health and approved by the director.~~

11 ~~(b) Any appeal from the action of the board shall be in accordance with the provisions of~~
12 ~~chapter 35 of title 42.~~

13 ~~**23-16.3-14. Roster of licenses.** The department of health shall maintain a roster of the~~
14 ~~names and addresses of persons currently licensed and registered under the provision of this~~
15 ~~chapter, and of all persons whose licenses have been suspended or revoked within the previous~~
16 ~~year.~~

17 ~~**23-16.3-15. Receipts.** The proceeds of any fees collected pursuant to the provisions of~~
18 ~~this chapter shall be deposited as general revenues.~~

19 ~~**23-16.3-16. Severability.** If any provision of this chapter or the application of any~~
20 ~~provision to any person or circumstance shall be held invalid, that invalidity shall not affect the~~
21 ~~provisions or application of this chapter which can be given effect without the invalid provision~~
22 ~~or application, and to this end the provisions of the chapter are declared to be severable.~~

23 SECTION 19. Chapter 23-19.3 of the General Laws entitled "Sanitarians" is hereby
24 repealed in its entirety.

25 ~~**23-19.3-1. Definitions.** The following words as used in this chapter shall, unless the~~
26 ~~context requires otherwise, have the following meanings:~~

27 ~~(1) "Division" means the division of professional regulation in the department of health.~~

28 ~~(2) "Sanitarian" means a person with broad basic education experience in the field of~~
29 ~~environmental health sciences and technology, and who is qualified to carry out instructional and~~
30 ~~surveillance duties and enforce the laws in the field of environmental health.~~

31 ~~**23-19.3-2. Division of professional regulation -- Powers and duties.** The division of~~
32 ~~professional regulation shall have the following powers and duties:~~

33 ~~(1) To prepare and establish regulations governing registration of sanitarians.~~

34 ~~(2) To appoint persons to prepare and administer examinations to applicants for~~

1 ~~registration as sanitarian.~~

2 ~~**23-19.3-3. Qualification for registration.** -- The division of professional regulation shall~~
3 ~~establish the minimum educational and experience qualifications which applicants must possess~~
4 ~~before being allowed to take the examinations for registration as sanitarians and may, in a similar~~
5 ~~manner, provide for the issuance of certificates of registration without examination to persons~~
6 ~~holding certificates of registration or licenses as sanitarians under the laws of another state, where~~
7 ~~the requirements are substantially equivalent or exceed the requirements of this state.~~

8 ~~**23-19.3-4. Ad hoc committee.** -- The director of health may establish, as the director~~
9 ~~deems necessary, an ad hoc committee of three professional environmental health scientists who~~
10 ~~are registered sanitarians with 10 or more years' experience in the field of environmental health~~
11 ~~services to assist the division of professional regulation in establishing any standards deemed~~
12 ~~necessary to carry out the provisions of this chapter.~~

13 ~~**23-19.3-5. Application for registration -- Examination -- Issuance of certificate.** -- (a)~~
14 ~~A person who desires to be registered as a sanitarian shall file with the division of professional~~
15 ~~regulation an application upon a form to be prescribed and furnished by the division of~~
16 ~~professional regulation. He or she shall include in the application, under oath, his or her~~
17 ~~qualifications as a sanitarian. The application shall be accompanied by a registration fee as set~~
18 ~~forth in § 23-1-54.~~

19 ~~(b) If the division of professional regulation deems the education qualifications of the~~
20 ~~applicant are satisfactory and if he or she passes an examination, both written and oral,~~
21 ~~satisfactory to the division of professional regulation, the division shall issue him or her a~~
22 ~~certificate of registration. The certificate of registration shall expire at the end of the calendar~~
23 ~~year, and may be renewed on or before January fifteenth (15th) of the following year. The fee for~~
24 ~~renewal of a certificate of registration shall be as set forth in § 23-1-54.~~

25 ~~**23-19.3-6. Designation of registered sanitarian.** -- Any person to whom a certificate of~~
26 ~~registration as a sanitarian has been issued shall have the right to use after his name the title~~
27 ~~"registered sanitarian" or the letters "R.S." No other person shall assume the title or use the letters~~
28 ~~or any other words, letters, or writing to indicate that he or she is a registered sanitarian.~~

29 ~~**23-19.3-7. Restricted receipts.** -- From the proceeds of any fees collected pursuant to the~~
30 ~~provisions of this chapter, there is created a restricted receipts account which shall be used for the~~
31 ~~general purposes of the division of professional regulation within the Rhode Island department of~~
32 ~~health.~~

33 ~~(a) No person, firm, corporation, partnership, or association shall engage in the business~~
34 ~~of pumping, cleaning, and/or transporting septage, industrial wastes, or oil waste unless a license~~

1 ~~is obtained from the department of environmental management.~~

2 ~~(b) Any person, firm, corporation, partnership or association who desires to engage in~~
3 ~~this business shall submit in writing in any form as is required by the department, an application~~
4 ~~for a license to engage in this business.~~

5 ~~23-19.3-8. Repealed.--~~

6 ~~23-19.3-9. Repealed.--~~

7 SECTION 20. Section 41-5-21 of the General Laws in Chapter 41-5 entitled "Boxing and
8 Wrestling" is hereby amended to read as follows:

9 ~~41-5-21. Application of chapter to wrestling and kickboxing matches.--~~ **Application**
10 **of chapter to wrestling matches.** – (a) The division of racing and athletics shall have and
11 exercise the same authority, supervision, and control over wrestling and kickboxing matches and
12 exhibitions as is conferred upon the division by this chapter over boxing and sparring matches
13 and exhibitions, and the provisions of this chapter, except those of § 41-5-12, shall apply in all
14 respects to wrestling ~~and kickboxing~~ matches and exhibitions to the same extent and with the
15 same force and effect as they apply to boxing and sparring matches.

16 (b) Whenever in this chapter, except in § 41-5-12, the words "boxing or sparring match or
17 exhibition" or the plural form thereof are used, they shall be construed to include the words
18 "wrestling ~~or kickboxing~~ match or exhibition" or the plural form thereof, and the word "boxer"
19 shall be construed to include "wrestler ~~or kickboxer~~," unless the context otherwise requires, and
20 any person holding, conducting, or participating in a wrestling ~~or kickboxing~~ match or exhibition
21 shall be subject to the same duties, liabilities, licensing requirements, penalties, and fees as are
22 imposed by this chapter upon any person holding, conducting, or participating in a boxing or
23 sparring match or exhibition.

24 (c) For the purpose of this chapter a "professional wrestler" is defined as one who
25 competes for a money prize or teaches or pursues or assists in the practice of wrestling as a means
26 of obtaining a livelihood or pecuniary gain; ~~and a "professional kickboxer" is defined as one who~~
27 ~~competes for a money prize or teaches or pursues or assists in the practice of kickboxing as a~~
28 ~~means of obtaining a livelihood or pecuniary gain.~~

29 (d) The division of racing and athletics may waive the provisions of this chapter within
30 its discretion in the case of wrestling as a form of pre-determined entertainment.

31 SECTION 21. Sections 41-5.1-1, 41-5.1-2, and 41-5.1-3 of the General Laws in Chapter
32 41-5.1 entitled "Commission on Professional Boxing, Wrestling, and Kick Boxing" are hereby
33 amended to read as follows:

34 **41-5.1-1. Composition of commission – Expenses.** – There shall be a commission on

1 professional boxing ~~and~~; wrestling, ~~and kick boxing~~, consisting of five (5) qualified electors,
2 three (3) of whom shall be appointed by the speaker of the house, not more than two (2) from the
3 same political party, one by the president of the senate, and one by the governor. All members
4 shall serve at the pleasure of the appointing authority. The commission shall serve without
5 compensation, but shall be allowed their travel and necessary expenses in accordance with the
6 rates from time to time established by the legislative department in its rules and regulations and
7 may expend such sums of money as may be appropriated from time to time by the general
8 assembly.

9 **41-5.1-2. Duties of commission.** – It shall be the duty of the commission on boxing ~~and~~;
10 wrestling, ~~and kick boxing~~ to study professional boxing ~~and~~; wrestling, ~~and kick boxing~~ and make
11 recommendations for the regulation thereof to the division of racing and athletics.

12 **41-5.1-3 Record – Reports.** – The commission on professional boxing ~~and~~; wrestling,
13 ~~and kick boxing~~ shall keep a record of all its transactions and shall, at the January session in each
14 year, and may at any other time make a report of its doings and of its recommendations to the
15 general assembly. The reports shall state in detail the nature of and extent of the commission's
16 investigations of the previous year and an outline of its proposed goals and projects for the
17 forthcoming year.

18 SECTION 22. This article shall take effect upon passage, except for Section 17, which
19 shall take effect on January 1, 2016.

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ARTICLE 21

RELATING TO PENSIONS

SECTION 1. Section 36-8-1 of the General Laws in Chapter 36-8 entitled "Retirement System - Administration" is hereby amended to read as follows:

36-8-1. Definition of terms. -- The following words and phrases as used in chapters 8 to 10 of this title unless a different meaning is plainly required by the context, shall have the following meanings:

(1) "Accumulated contributions" shall mean the sum of all the amounts deducted from the compensation of a member and credited to his or her individual pension account.

(2) "Active member" shall mean any employee of the state of Rhode Island as defined in this section for whom the retirement system is currently receiving regular contributions pursuant to §§ 36-10-1 and 36-10-1.1.

(3) "Actuarial equivalent" shall mean an allowance or benefit of equal value to any other allowance or benefit when computed upon the basis of the actuarial tables in use by the system.

(4) "Annuity reserve" shall mean the present value of all payments to be made on account of any annuity, benefit, or retirement allowance granted under the provisions of chapter 10 of this title computed upon the basis of such mortality tables as shall be adopted from time to time by the retirement board with regular interest.

(5) (a) "Average compensation" for members eligible to retire as of September 30, 2009 shall mean the average of the highest three (3) consecutive years of compensation, within the total service when the average compensation was the highest. For members eligible to retire on or after October 1, 2009, "Average compensation" shall mean the average of the highest five (5) consecutive years of compensation within the total service when the average compensation was the highest.

(b) For members who become eligible to retire on or after July 1, 2012, if more than one half (1/2) of the member's total years of service consist of years of service during which the member devoted less than thirty (30) business hours per week to the service of the state, but the member's average compensation consists of three (3) or more years during which the member devoted more than thirty (30) business hours per week to the service of the state, such member's average compensation shall mean the average of the highest ten (10) consecutive years of

1 compensation within the total service when the average compensation was the highest; provided
2 however, effective July 1, 2015, if such member's average compensation as defined in subsection
3 (a) Above is equal to or less than thirty-five thousand dollars (\$35,000), such amount to be
4 indexed annually in accordance with § 36-10-35(h)(1)(B), such member's average compensation
5 shall mean the greater of: (i) The average of the highest ten (10) consecutive years of
6 compensation within the total service when the average compensation was the highest; or (ii) The
7 member's average compensation as defined in subsection (a) above. To protect a member's
8 accrued benefit on June 30, 2012 under this § 36-8-1(5)(b), in no event shall a member's average
9 compensation be lower than his or her average compensation determined as of June 30, 2012.

10 (6) "Beneficiary" shall mean any person in receipt of a pension, an annuity, a retirement
11 allowance, or other benefit as provided by chapter 10 of this title.

12 (7) "Casual employee" shall mean those persons hired for a temporary period, a period of
13 emergency or an occasional period.

14 (8) "Compensation" as used in chapters 8 -- 10 of this title, chapters 16 and 17 of title 16,
15 and chapter 21 of title 45 shall mean salary or wages earned and paid for the performance of
16 duties for covered employment, including regular longevity or incentive plans approved by the
17 board, but shall not include payments made for overtime or any other reason other than
18 performance of duties, including but not limited to the types of payments listed below:

19 (i) Payments contingent on the employee having terminated or died;

20 (ii) Payments made at termination for unused sick leave, vacation leave, or
21 compensatory time;

22 (iii) Payments contingent on the employee terminating employment at a specified time in
23 the future to secure voluntary retirement or to secure release of an unexpired contract of
24 employment;

25 (iv) Individual salary adjustments which are granted primarily in anticipation of the
26 employee's retirement;

27 (v) Additional payments for performing temporary or extra duties beyond the normal or
28 regular work day or work year.

29 (9) "Employee" shall mean any officer or employee of the state of Rhode Island whose
30 business time is devoted exclusively to the services of the state, but shall not include one whose
31 duties are of a casual or seasonal nature. The retirement board shall determine who are employees
32 within the meaning of this chapter. The governor of the state, the lieutenant governor, the
33 secretary of state, the attorney general, the general treasurer, and the members of the general
34 assembly, ex officio, shall not be deemed to be employees within the meaning of that term unless

1 and until they elect to become members of the system as provided in section 36-9-6, but in no
2 case shall it deem as an employee, for the purposes of this chapter, any individual who devotes
3 less than twenty (20) business hours per week to the service of the state, and who receives less
4 than the equivalent of minimum wage compensation on an hourly basis for his or her services,
5 except as provided in section 36-9-24. Any commissioner of a municipal housing authority or any
6 member of a part-time state, municipal or local board, commission, committee or other public
7 authority shall not be deemed to be an employee within the meaning of this chapter.

8 (10) "Full actuarial costs" or "full actuarial value" shall mean the lump sum payable by a
9 member claiming service credit for certain employment for which that payment is required which
10 is determined according to the age of the member and the employee's annual rate of compensation
11 at the time he or she applies for service credit and which is expressed as a rate percent of the
12 employee's annual rate of compensation to be multiplied by the number of years for which he or
13 she claims service credit as prescribed in a schedule adopted by the retirement board from time to
14 time on the basis of computation by the actuary. Except as provided in §§ 16-16-7.1, 36-5-3, 36-
15 9-31, 36-10-10.4, 45-21-53, 36-10-8, 45-21-29, 8-3-16(b), 8-8-10.1(b), 42-28-22.1(b) and 28- 30-
16 18.1(b).

17 (i) all service credit purchases requested after June 16, 2009 and prior to July 1, 2012,
18 shall be at full actuarial value and

19 (ii) all service credit purchases requested after June 30, 2012 shall be at full actuarial
20 value which shall be determined using the system's assumed investment rate of return minus one
21 percent (1%).

22 The rules applicable to a service credit purchase shall be the rules of the retirement
23 system in effect at the time the purchase application is submitted to the retirement system.

24 (11) "Funded Ratio" shall mean the ratio of the actuarial value of assets to the actuarial
25 accrued liability consistent with the funding policy of the retirement board as defined in § 36-8-4.

26 ~~(11)~~(12) "Inactive member" shall mean a member who has withdrawn from service as an
27 employee but who has not received a refund of contributions.

28 ~~(12)~~(13) "Members" shall mean any person included in the membership of the retirement
29 system as provided in §§ 36-9-1 -- 36-9-7.

30 ~~(13)~~(14) "Prior service" shall mean service as a member rendered before July 1, 1936,
31 certified on his or her prior service certificate and allowable as provided in § 36-9-28.

32 ~~(14)~~(15) "Regular interest" shall mean interest at the assumed investment rate of return,
33 compounded annually, as may be prescribed from time to time by the retirement board.

34 ~~(15)~~(16) "Retirement allowance" shall mean annual payments for life made after

1 retirement under and in accordance with chapters 8 to 10 of this title. All allowances shall be paid
2 in equal monthly installments beginning as of the effective date thereof; provided, that a smaller
3 pro rata amount may be paid for part of a month where separation from service occurs during the
4 month in which the application was filed, and when the allowance ceases before the last day of
5 the month.

6 ~~(16)~~(17) "Retirement board" or "board" shall mean the board provided in § 36-8-3 to
7 administer the retirement system.

8 ~~(17)~~(18) "Retirement system" shall mean the employees' retirement system of the state of
9 Rhode Island as defined in § 36-8-2.

10 ~~(18)~~(19) "Service" shall mean service as an employee of the state of Rhode Island as
11 described in subdivision (9) of this section.

12 ~~(19)~~(20) "Social Security retirement age" shall mean a member's full retirement age as
13 determined in accordance with the federal Old Age, Survivors and Disability Insurance Act, not
14 to exceed age sixty-seven (67).

15 ~~(20)~~(21) "Total service" shall mean prior service as defined above, plus service rendered
16 as a member on or after July 1, 1936.

17 SECTION 2. Section 36-10-1 of the General Laws in Chapter 36-10 entitled "Retirement
18 System-Contributions and Benefits" is hereby amended to read as follows:

19 **36-10-1. Member contributions -- Deduction from compensation.** -- (a) Prior to July
20 1, 2012, each member of the retirement system shall contribute an amount equal to eight and
21 three-quarters percent (8.75%) of his or her compensation as his or her share of the cost of
22 annuities, benefits, and allowances. Effective July 1, 2012, each member of the retirement system
23 shall contribute an amount equal to three and three quarters percent (3.75%) of his or her
24 compensation, except for correctional officers as defined in § 36-10-9.2 who shall contribute an
25 amount equal to eight and three quarters percent (8.75%) of his or her compensation. Effective
26 July 1, 2015, each member of the retirement system, except for correctional officers as defined in
27 § 36-10-9.2, with twenty (20) or more years of total service as of June 30, 2012 shall contribute
28 an amount equal to eleven percent (11%) of compensation. The contributions shall be made in the
29 form of deductions from compensation.

30 (b) The deductions provided for herein shall be made notwithstanding that the minimum
31 compensation provided by law for any member shall be reduced thereby. Every member shall be
32 deemed to consent and agree to the deductions made and provided for herein and receipt of his or
33 her full compensation and payment of compensation, less the deductions, shall be a full and
34 complete discharge and acquittance of all claims and demands whatsoever for the services

1 rendered by the person during the period covered by the payment except as to the benefit
2 provided under this chapter.

3 SECTION 3. Section 36-10-2.1 of the General Laws in Chapter 36-10 entitled
4 "Retirement System-Contributions and Benefits" is hereby amended to read as follows:

5 **36-10-2.1. Actuarial cost method.** -- (a) To determine the employer contribution rate for
6 the State of Rhode Island for fiscal year 2002 and for all fiscal years subsequent, the actuary shall
7 compute the costs under chapter 10 of title 36 using the entry age normal cost method. ~~Effective~~
8 ~~July 1, 2012, the entry age normal cost method shall be as defined in Accounting Standard No. 27~~
9 ~~of the Governmental Accounting Standards Board as in effect from time to time.~~

10 (b) The determination of the employer contribution rate for fiscal year 2013 shall include
11 a reamortization of the current Unfunded Actuarial Accrued Liability (UAAL) over a closed
12 twenty-five (25) year period. After an initial period of five (5) years, future actuarial gains and
13 losses occurring within a plan year will be amortized over individual new twenty (20) year closed
14 periods.

15 (c) The determination of the employer contribution rate commencing with fiscal year
16 2017 shall include a re-amortization of the current unfunded actuarial accrued liability (UAAL)
17 attributable to the sixty percent (60%) of contribution responsibility not partitioned to the state in
18 § 16-16-22 over a closed twenty-five (25) year period. This will be accomplished by dividing the
19 UAAL as of June 30, 2014 into two (2) separate amortization periods. Future actuarial gains and
20 losses occurring within a plan year will be amortized over individual new twenty (20) year closed
21 periods and allocated in the forty percent (40%) state / sixty percent (60%) municipal proportion
22 set forth in § 16-16-22.

23 SECTION 4. Section 36-10-9 of the General Laws in Chapter 36-10 entitled "Retirement
24 System-Contributions and Benefits" is hereby amended to read as follows:

25 **36-10-9. Retirement on service allowance -- In general.** -- Retirement of a member on
26 a service retirement allowance shall be made by the retirement board as follows:

27 (1) (a) (i) Any member may retire upon his or her written application to the retirement
28 board as of the first day of the calendar month in which the application was filed; provided, the
29 member was separated from service prior thereto; and further provided, however, that if
30 separation from service occurs during the month in which application is filed, the effective date
31 shall be the first day following that separation from service; and provided further that the member
32 on his or her retirement date attained the age of sixty (60) and completed at least ten (10) years of
33 contributory service on or before July 1, 2005 or who, regardless of age, has completed twenty-
34 eight (28) years of total service and has completed at least ten (10) years of contributory service

1 on or before July 1, 2005, and who retire before October 1, 2009 or are eligible to retire as of
2 September 30, 2009.

3 (ii) For members who become eligible to retire on or after October 1, 2009 and prior to
4 July 1, 2012, benefits are available to members who have attained the age of sixty-two (62) and
5 completed at least ten (10) years of contributory service. For members in service as of October 1,
6 2009 who were not eligible to retire as of September 30, 2009 but become eligible to retire prior
7 to July 1, 2012, the minimum retirement age of sixty-two (62) will be adjusted downward in
8 proportion to the amount of service the member has earned as of September 30, 2009. The
9 proportional formula shall work as follows:

10 (1) The formula shall determine the first age of retirement eligibility under the laws in
11 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of
12 sixty-two (62).

13 (2) The formula shall then take the member's total service credit as of September 30,
14 2009 as the numerator and the years of service credit determined under (1) as the denominator.

15 (3) The fraction determined in (2) shall then be multiplied by the age difference
16 determined in (1) to apply a reduction in years from age sixty-two (62).

17 (b) (i) Any member, who has not completed at least ten (10) years of contributory
18 service on or before July 1, 2005, may retire upon his or her written application to the retirement
19 board as of the first day of the calendar month in which the application was filed; provided, the
20 member was separated from service prior thereto; and further provided, however, that if
21 separation from service occurs during the month in which application is filed, the effective date
22 shall be the first day following that separation from service; provided, the member or his or her
23 retirement date had attained the age of fifty-nine (59) and had completed at least twenty-nine (29)
24 years of total service or provided that the member on his or her retirement date had attained the
25 age of sixty-five (65) and had completed at least ten (10) years of contributory service; or
26 provided, that the member on his or her retirement date had attained the age of fifty-five (55) and
27 had completed twenty (20) years of total service provided, that the retirement allowance, as
28 determined according to the formula in § 36-10-10 is reduced actuarially for each month that the
29 age of the member is less than sixty-five (65) years, and who retire before October 1, 2009 or are
30 eligible to retire as of September 30, 2009.

31 (ii) For members who become eligible to retire on or after October 1, 2009 and prior to
32 July 1, 2012, benefits are available to members who have attained the age of sixty-two (62) and
33 completed at least twenty-nine (29) years of total service or have attained the age of sixty-five
34 (65) and completed at least ten (10) years of contributory service. For members in service as of

1 October 1, 2009 who were not eligible to retire as of September 30, 2009 but become eligible to
2 retire prior to July 1, 2012, who have a minimum retirement age of sixty-two (62), the retirement
3 age will be adjusted downward in proportion to the amount of service the member has earned as
4 of September 30, 2009. The proportional formula shall work as follows:

5 (1) The formula shall determine the first age of retirement eligibility under the laws in
6 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of
7 sixty-two (62).

8 (2) The formula shall then take the member's total service credit as of September 30,
9 2009 as the numerator and the years of service credit determined under (1) as the denominator.

10 (3) The fraction determined in (2) above shall then be multiplied by the age difference
11 determined in (1) to apply a reduction in years from age sixty-two (62).

12 (c) Effective July 1, 2012, the following shall apply to all members not eligible to retire
13 prior to July 1, 2012:

14 (i) A member with contributory service on or after July 1, 2012, shall be eligible to retire
15 upon the completion of at least five (5) years of contributory service and attainment of the
16 member's Social Security retirement age.

17 (ii) For members with five (5) or more years of contributory service as of June 30, 2012,
18 with contributory service on and after July 1, 2012, who have a retirement age of Social Security
19 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of
20 service the member has earned as of June 30, 2012, but in no event shall a member's retirement
21 age under this subparagraph (ii) be prior to the attainment of age fifty-nine (59) or prior to the
22 member's retirement age determined under the laws in effect on June 30, 2012. The proportional
23 formula shall work as follows:

24 (1) The formula shall determine the first age of retirement eligibility under the laws in
25 effect on June 30, 2012 which shall then be subtracted from Social Security retirement age;

26 (2) The formula shall then take the member's total service credit as of June 30, 2012 as
27 the numerator and the projected service at retirement age in effect on June 30, 2012 as the
28 denominator;

29 (3) The fraction determined in (2) shall then be multiplied by the age difference
30 determined in (1) to apply a reduction in years from Social Security retirement age.

31 (iii) ~~A~~ [Effective July 1, 2015, a](#) member who has completed twenty (20) or more years of
32 total service and who has attained an age within five (5) years of the eligible retirement age under
33 subparagraphs (c)(i) or (c)(ii) above [or subsection \(d\) below](#), may elect to retire provided that the
34 retirement allowance shall be reduced actuarially for each month that the age of the member is

1 less than the eligible retirement age under subparagraphs (c)(i) or (c)(ii) above or subsection (d)
2 below in accordance with the following table:

<u>Year Preceding Retirement</u>	<u>Cumulative Annual Reduction</u>	<u>Cumulative Monthly Reduction</u>
<u>For Year 1</u>	<u>9%</u>	<u>.75%</u>
<u>For Year 2</u>	<u>8%</u>	<u>.667%</u>
<u>For Year 3</u>	<u>7%</u>	<u>.583%</u>
<u>For Year 4</u>	<u>7%</u>	<u>.583%</u>
<u>For Year 5</u>	<u>7%</u>	<u>.583%</u>

9 (iv) Notwithstanding any other provisions of section 36-10-9(c), a member who has
10 completed ten (10) or more years of contributory service as of June 30, 2012, may elect to retire
11 at his or her eligible retirement date as determined under paragraphs (1)(a) and (1)(b) above
12 provided that a member making an election under this paragraph shall receive the member's
13 retirement benefit determined and calculated based on the member's service and average
14 compensation as of June 30, 2012. This provision shall be interpreted and administered in a
15 manner to protect a member's accrued benefit on June 30, 2012.

16 (d) Notwithstanding any other provisions of subsection (c) above, effective July 1, 2015,
17 members in active service shall be eligible to retire upon the earlier of: (A) The attainment of at
18 least age sixty-five (65) and the completion of at least thirty (30) years of total service, or the
19 attainment of at least age sixty-four (64) and the completion of at least thirty-one (31) years of
20 total service, or the attainment of at least age sixty-three (63) and the completion of at least thirty-
21 two (32) years of total service, or the attainment of at least age sixty-two (62) and the completion
22 of at least thirty-three (33) years of total service; or (B) The member's retirement eligibility date
23 under subsections (c)(i) or (c)(ii) above.

24 (2) Any faculty employee at a public institution of higher education under the
25 jurisdiction of the board of governors for higher education shall not be involuntarily retired upon
26 attaining the age of seventy (70) years.

27 (3) (i) Except as specifically provided in § 36-10-9.1, §§ 36-10-12 -- 36-10-15, and §§
28 45-21-19 -- 45-21-22, (I) On or prior to June 30, 2012 no member shall be eligible for pension
29 benefits under this chapter unless the member shall have been a contributing member of the
30 employee's retirement system for at least ten (10) years, or (II) For members in active
31 contributory service on or after July 1, 2012, the member shall have been a contributing member
32 of the retirement system for at least five (5) years.

33 (ii) Provided, however, a person who has ten (10) years service credit on or before June
34 16, 1991, shall be vested.

1 (iii) Furthermore, any past service credits purchased in accordance with § 36-9-38 shall
2 be counted towards vesting.

3 (iv) Any person who becomes a member of the employees' retirement system pursuant to
4 § 45-21-4 shall be considered a contributing member for the purpose of chapter 21 of title 45 and
5 this chapter.

6 (v) Notwithstanding any other provision of law, no more than five (5) years of service
7 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
8 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years
9 of service credits before January 1, 1995, shall be permitted to apply those purchases towards the
10 member's service retirement. However, no further purchase will be permitted. Repayment in
11 accordance with applicable law and regulation of any contribution previously withdrawn from the
12 system shall not be deemed a purchase of service credit.

13 (vi) Notwithstanding any other provision of law, effective July 1, 2012, except for
14 purchases under §§ 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53, (A) For service
15 purchases for time periods prior to a member's initial date of hire, the purchase must be made
16 within three (3) years of the member's initial date of hire, (B) For service purchases for time
17 periods for official periods of leave as authorized by law, the purchase must be made within three
18 (3) years of the time the official leave was concluded by the member. Notwithstanding the
19 preceding sentence, service purchases from time periods prior to June 30, 2012 may be made on
20 or prior to June 30, 2015.

21 (4) No member of the employees' retirement system shall be permitted to purchase
22 service credits for casual, seasonal, or temporary employment, or emergency appointment, for
23 employment as a page in the general assembly, or for employment at any state college or
24 university while the employee is a student or graduate assistant of the college or university.

25 (5) Except as specifically provided in §§ 16-16-6.2 and 16-16-6.4, a member shall not
26 receive service credit in this retirement system for any year or portion of it, which counts as
27 service credit in any other retirement system in which the member is vested or from which the
28 member is receiving a pension and/or any annual payment for life. This subsection shall not apply
29 to any payments received pursuant to the federal Social Security Act or to payments from a
30 military pension earned prior to participation in state or municipal employment, or to military
31 service credits earned prior to participation in state or municipal employment.

32 (6) A member who seeks to purchase or receive service credit in this retirement system
33 shall have the affirmative duty to disclose to the retirement board whether or not he or she is a
34 vested member in any other retirement system and/or is receiving a pension, retirement

1 allowance, or any annual payment for life. The retirement board shall have the right to investigate
2 as to whether or not the member has utilized the same time of service for credit in any other
3 retirement system. The member has an affirmative duty to cooperate with the retirement board
4 including, by way of illustration and not by way of limitations the duty to furnish or have
5 furnished to the retirement board any relevant information which is protected by any privacy act.

6 (7) A member who fails to cooperate with the retirement board shall not have the time of
7 service counted toward total service credit until such time as the member cooperates with the
8 retirement board and until such time as the retirement board determines the validity of the service
9 credit.

10 (8) A member who knowingly makes a false statement to the retirement board regarding
11 service time or credit shall not be entitled to a retirement allowance and is entitled only to the
12 return of his or her contributions without interest.

13 SECTION 5. Section 36-10-10 of the General Laws in Chapter 36-10 entitled
14 "Retirement System-Contributions and Benefits" is hereby amended to read as follows:

15 **36-10-10. Amount of service retirement allowance.** -- (a) (1) (i) For employees eligible
16 to retire on or before September 30, 2009, upon retirement for service under section 36-10-9, a
17 member whose membership commenced before July 1, 2005 and who has completed at least ten
18 (10) years of contributory service on or before July 1, 2005 shall receive a retirement allowance
19 which shall be determined in accordance with schedule A below for service prior to July 1, 2012:

20 Schedule A

21 Years of Service	Percentage Allowance
22 1st through 10th inclusive	1.7%
23 11th through 20th inclusive	1.9%
24 21st through 34th inclusive	3.0%
25 35th	2.0%

26 (ii) For employees eligible to retire on or after October 1, 2009, who were not eligible to
27 retire on or before September 30, 2009, upon retirement from service under § 36-10-9, a member
28 whose membership commenced before July 1, 2005 and who has completed at least ten (10) years
29 of contributory service on or before July 1, 2005 shall receive a retirement allowance which shall
30 be determined in accordance with schedule A above for service on before September 30, 2009,
31 and shall be determined in accordance with schedule B in subsection (a)(2) below for service on
32 or after October 1, 2009 and prior to July 1, 2012.

33 (2) Upon retirement for service under section 36-10-9, a member whose membership
34 commenced after July 1, 2005, or who has not completed at least ten (10) years of contributory

1 service as of July 1, 2005, shall, receive a retirement allowance which shall be determined in
2 accordance with Schedule B below for service prior to July 1, 2012:

3 Schedule B

4 Years of Service	Percentage Allowance
5 1st through 10th inclusive	1.60%
6 11th through 20th inclusive	1.80%
7 21st through 25th inclusive	2.0%
8 26th through 30th inclusive	2.25%
9 31st through 37th inclusive	2.50%
10 38th	2.25%

11 (b) The retirement allowance of any member whose membership commenced before July
12 1, 2005 and who has completed at least ten (10) years of contributory service on or before July 1,
13 2005 shall be in an amount equal to the percentage allowance specified in subsection (a)(1) of his
14 or her average highest three (3) consecutive years of compensation multiplied by the number of
15 years of total service, but in no case to exceed eighty percent (80%) of the compensation payable
16 at completion of thirty-five (35) years of service; provided, however, for employees retiring on or
17 after October 1, 2009 who were not eligible to retire as of September 30, 2009 the calculation
18 shall be based on the average highest five (5) consecutive years of compensation. Any member
19 who has in excess of thirty-five (35) years on or before June 2, 1985, shall not be entitled to any
20 refund, and any member with thirty-five (35) years or more on or after June 2, 1985, shall
21 contribute from July 1, 1985, until his or her retirement.

22 The retirement allowance of any member whose membership commenced after July 1,
23 2005 or who had not completed at least ten (10) years of contributory service as of July 1, 2005,
24 shall, be in an amount equal to the percentage allowance specified in Schedule B of his or her
25 average highest three (3) consecutive years of compensation multiplied by the number of years of
26 total service, but in no case to exceed seventy-five percent (75%) of the compensation payable at
27 the completion of thirty-eight (38) years of service; provided, however, for employees retiring on
28 or after October 1, 2009 who were not eligible to retire as of September 30, 2009 the calculation
29 shall be based on the average highest five (5) consecutive years of compensation.

30 (c) Any member with thirty-eight (38) years or more of service prior to December 31,
31 1985, shall not be required to make additional contributions. Contributions made between
32 December 31, 1985, and July 1, 1987, by members with thirty-eight (38) or more years of service
33 prior to December 31, 1985, shall be refunded by the retirement board to the persons, their heirs,
34 administrators, or legal representatives.

1 (d) For service prior to July 1, 2012, the retirement allowance of a member shall be
2 determined in accordance with subsections (a)(1) and (a)(2) above. For service on and after July
3 1, 2012, a member's retirement allowance shall be equal to:

4 (i) For members with fewer than twenty (20) years of total service as of June 30, 2012,
5 one percent (1%) of the member's average compensation multiplied by the member's years of
6 total service on and after July 1 2012; and

7 (ii) For members with twenty (20) or more years of total service as of June 30, 2012, a
8 member's retirement allowance shall be equal to one percent (1%) of the member's average
9 compensation multiplied by the member's years of total service between July 1, 2012 and June
10 30, 2015, and two percent (2%) of the member's average compensation multiplied by the
11 member's years of total service on and after July 1, 2015. For purposes of computing a member's
12 total service under the preceding sentence, service purchases shall be included in total service
13 only with respect to those service purchases approved prior to June 30, 2012 and those
14 applications for service purchases received by the retirement system on or before June 30, 2012.

15 In no event shall a member's retirement allowance exceed the maximum limitations set forth in
16 paragraph (b) above.

17 SECTION 6. Section 36-10-10.2 of the General Laws in Chapter 36-10 entitled
18 "Retirement System-Contributions and Benefits" is hereby amended to read as follows:

19 **36-10-10.2. Amount of service retirement allowance – Correctional officers. --** (a)
20 Upon retirement for service under § 36-10-9.2, a member with twenty-five (25) or more years of
21 service as of June 30, 2012 shall receive a retirement allowance of an amount determined under
22 (i) below. All other members shall receive a retirement allowance of an amount equal to the sum
23 of (i) below for service prior to July 1, 2012, plus (ii) below for service on and after July 1, 2012.
24 (i) Two percent (2%) of his or her average compensation multiplied by his or her first thirty (30)
25 years of total service within the department of corrections; any and all years of remaining service
26 shall be issued to the member at a retirement allowance of an amount equal to his or her average
27 compensation multiplied by the percentage allowance determined in accordance with Schedule A
28 below:

29 Schedule A

30 Years of Service	Percentage Allowance
31 1 through 30 inclusive	2%
32 31st	6%
33 32nd	5%
34 33rd	4%

1 34th 3%
2 35th 2%

3 (ii) On and after July 1, 2012, ~~Two~~ two percent (2%) of his or her average compensation
4 multiplied by his or her first thirty (30) years of total service ~~years of service on and after July 1,~~
5 ~~2012~~ within the department of corrections, and three percent (3%) of his or her average
6 compensation multiplied by the member's thirty-first (31st) through thirty-fifth (35th) years of
7 service.

8 (b) In no case shall a retirement percentage allowance exceed the greater of the member's
9 retirement percentage allowance on June 30, 2012 or seventy-five percent (75%). Any member
10 who has in excess of thirty-five (35) years on or before July 1, 1987, shall not be entitled to any
11 refund. Any member with thirty-five (35) years or more on or after July 1, 1987, shall contribute
12 from July 1, 1987, until his or her retirement, provided, however, that any member with thirty-
13 eight (38) years of service prior to July 1, 1987, shall not be required to contribute.

14 SECTION 7. Section 36-10-35 of the General Laws in Chapter 36-10 entitled
15 "Retirement System-Contributions and Benefits" is hereby amended to read as follows:

16 **36-10-35. Additional benefits payable to retired employees.** -- (a) All state employees
17 and all beneficiaries of state employees receiving any service retirement or ordinary or accidental
18 disability retirement allowance pursuant to the provisions of this title on or before December 31,
19 1967, shall receive a cost of living retirement adjustment equal to one and one-half percent
20 (1.5%) per year of the original retirement allowance, not compounded, for each calendar year the
21 retirement allowance has been in effect. For the purposes of computation, credit shall be given for
22 a full calendar year regardless of the effective date of the retirement allowance. This cost of living
23 adjustment shall be added to the amount of the retirement allowance as of January 1, 1968, and an
24 additional one and one-half percent (1.5%) shall be added to the original retirement allowance in
25 each succeeding year during the month of January, and provided further, that this additional cost
26 of living increase shall be three percent (3%) for the year beginning January 1, 1971, and each
27 year thereafter, through December 31, 1980. Notwithstanding any of the above provisions, no
28 employee receiving any service retirement allowance pursuant to the provisions of this title on or
29 before December 31, 1967, or the employee's beneficiary, shall receive any additional benefit
30 hereunder in an amount less than two hundred dollars (\$200) per year over the service retirement
31 allowance where the employee retired prior to January 1, 1958.

32 (b) All state employees and all beneficiaries of state employees retired on or after
33 January 1, 1968, who are receiving any service retirement or ordinary or accidental disability
34 retirement allowance pursuant to the provisions of this title shall, on the first day of January next

1 following the third anniversary date of the retirement, receive a cost of living retirement
2 adjustment, in addition to his or her retirement allowance, in an amount equal to three percent
3 (3%) of the original retirement allowance. In each succeeding year thereafter through December
4 31, 1980, during the month of January, the retirement allowance shall be increased an additional
5 three percent (3%) of the original retirement allowance, not compounded, to be continued during
6 the lifetime of the employee or beneficiary. For the purposes of computation, credit shall be given
7 for a full calendar year regardless of the effective date of the service retirement allowance.

8 (c) (1) Beginning on January 1, 1981, for all state employees and beneficiaries of the
9 state employees receiving any service retirement and all state employees, and all beneficiaries of
10 state employees, who have completed at least ten (10) years of contributory service on or before
11 July 1, 2005 pursuant to the provisions of this chapter, and for all state employees, and all
12 beneficiaries of state employees who receive a disability retirement allowance pursuant to §§ 36-
13 10-12 -- 36-10-15, the cost of living adjustment shall be computed and paid at the rate of three
14 percent (3%) of the original retirement allowance or the retirement allowance as computed in
15 accordance with § 36-10-35.1, compounded annually from the year for which the cost of living
16 adjustment was determined to be payable by the retirement board pursuant to the provisions of
17 subsection (a) or (b) of this section. Such cost of living adjustments are available to members who
18 retire before October 1, 2009 or are eligible to retire as of September 30, 2009.

19 (2) The provisions of this subsection shall be deemed to apply prospectively only and no
20 retroactive payment shall be made.

21 (3) The retirement allowance of all state employees and all beneficiaries of state
22 employees who have not completed at least ten (10) years of contributory service on or before
23 July 1, 2005 or were not eligible to retire as of September 30, 2009, shall, on the month following
24 the third anniversary date of retirement, and on the month following the anniversary date of each
25 succeeding year be adjusted and computed by multiplying the retirement allowance by three
26 percent (3%) or the percentage of increase in the Consumer Price Index for all Urban Consumers
27 (CPI-U) as published by the United States Department of Labor Statistics determined as of
28 September 30 of the prior calendar year, whichever is less; the cost of living adjustment shall be
29 compounded annually from the year for which the cost of living adjustment was determined
30 payable by the retirement board; provided, that no adjustment shall cause any retirement
31 allowance to be decreased from the retirement allowance provided immediately before such
32 adjustment.

33 (d) For state employees not eligible to retire in accordance with this chapter as of
34 September 30, 2009 and not eligible upon passage of this article, and for their beneficiaries, the

1 cost of living adjustment described in subsection (3) above shall only apply to the first thirty-five
2 thousand dollars (\$35,000) of retirement allowance, indexed annually, and shall commence upon
3 the third (3rd) anniversary of the date of retirement or when the retiree reaches age sixty-five
4 (65), whichever is later. The thirty-five thousand dollar (\$35,000) limit shall increase annually by
5 the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) as
6 published by the United States Department of Labor Statistics determined as of September 30 of
7 the prior calendar year or three percent (3%), whichever is less. The first thirty-five thousand
8 dollars (\$35,000) of retirement allowance, as indexed, shall be multiplied by the percentage of
9 increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the
10 United States Department of Labor Statistics determined as of September 30 of the prior calendar
11 year or three percent (3%), whichever is less, on the month following the anniversary date of each
12 succeeding year. For state employees eligible to retire as of September 30, 2009 or eligible upon
13 passage of this article, and for their beneficiaries, the provisions of this subsection (d) shall not
14 apply.

15 (e) All legislators and all beneficiaries of legislators who are receiving a retirement
16 allowance pursuant to the provisions of § 36-10-9.1 for a period of three (3) or more years, shall,
17 commencing January 1, 1982, receive a cost of living retirement adjustment, in addition to a
18 retirement allowance, in an amount equal to three percent (3%) of the original retirement
19 allowance. In each succeeding year thereafter during the month of January, the retirement
20 allowance shall be increased an additional three percent (3%) of the original retirement
21 allowance, compounded annually, to be continued during the lifetime of the legislator or
22 beneficiary. For the purposes of computation, credit shall be given for a full calendar year
23 regardless of the effective date of the service retirement allowance.

24 (f) The provisions of §§ 45-13-7 -- 45-13-10 shall not apply to this section.

25 (g) [This subsection \(g\) shall be effective for the period July 1, 2012 through June 30,](#)
26 [2015.](#)

27 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (g)(2)
28 below, for all present and former employees, active and retired members, and beneficiaries
29 receiving any retirement, disability or death allowance or benefit of any kind, the annual benefit
30 adjustment provided in any calendar year under this section shall be equal to: (A) multiplied by
31 (B) where (A) is equal to the percentage determined by subtracting five and one-half percent
32 (5.5%) (the "subtrahend") from the Five-Year Average Investment Return of the retirement
33 system determined as of the last day of the plan year preceding the calendar year in which the
34 adjustment is granted, said percentage not to exceed four percent (4%) and not to be less than

1 zero percent (0%), and (B) is equal to the lesser of the member's retirement allowance or the first
2 twenty-five thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand
3 dollars (\$25,000) amount to be indexed annually in the same percentage as determined under
4 (g)(1)(A) above. The "Five-Year Average Investment Return" shall mean the average of the
5 investment returns of the most recent five (5) plan years as determined by the retirement board.
6 Subject to paragraph (g)(2) below, the benefit adjustment provided by this paragraph shall
7 commence upon the third (3rd) anniversary of the date of retirement or the date on which the
8 retiree reaches his or her Social Security retirement age, whichever is later. In the event the
9 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
10 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

11 (2) Except as provided in paragraph (g)(3), the benefit adjustments under this section for
12 any plan year shall be suspended in their entirety unless the ~~GASB~~ Funded Ratio of the
13 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the
14 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,
15 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all
16 members for such plan year.

17 In determining whether a funding level under this paragraph (g)(2) has been achieved,
18 the actuary shall calculate the funding percentage after taking into account the reinstatement of
19 any current or future benefit adjustment provided under this section. ~~"GASB Funded Ratio" shall~~
20 ~~mean the ratio of the actuarial value of assets to the actuarial accrued liability.~~

21 (3) Notwithstanding paragraph (g)(2), in each fifth plan year commencing after June 30,
22 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
23 plan years, a benefit adjustment shall be calculated and made in accordance with paragraph (g)(1)
24 above until the ~~GASB~~ Funded Ratio of the Employees' Retirement System of Rhode Island, the
25 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by
26 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

27 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
28 (g) of § 36-10-35 shall become effective July 1, 2012 and shall apply to any benefit adjustment
29 not granted on or prior to June 30, 2012.

30 (h) This subsection (h) shall become effective July 1, 2015.

31 (1)(A) As soon as administratively reasonable following the enactment into law of this
32 subsection (h)(1)(A), a one-time benefit adjustment shall be provided to members and/or
33 beneficiaries of members who retired on or before June 30, 2012, in the amount of 2% of the
34 lesser of either the member's retirement allowance or the first twenty-five thousand dollars

1 (\$25,000) of the member's retirement allowance. This one-time benefit adjustment shall be
2 provided without regard to the retiree's age or number of years since retirement.

3 (B) Notwithstanding the prior subsections of this section, for all present and former
4 employees, active and retired members, and beneficiaries receiving any retirement, disability or
5 death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar
6 year under this section for adjustments on and after January 1, 2016, and subject to subsection
7 (h)(2) below, shall be equal to (I) multiplied by (II):

8 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

9 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
10 (the "subtrahend") from the five-year average investment return of the retirement system
11 determined as of the last day of the plan year preceding the calendar year in which the adjustment
12 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
13 (0%). The "five-year average investment return" shall mean the average of the investment returns
14 of the most recent five (5) plan years as determined by the retirement board. In the event the
15 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
16 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

17 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
18 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
19 Statistics determined as of September 30 of the prior calendar year. In no event shall the sum of
20 (i) plus (ii) exceed three and one-half percent (3.5%) or be less than zero percent (0%).

21 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-
22 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
23 to be indexed annually in the same percentage as determined under subsection (h)(1)(B)(I) above.

24 The benefit adjustments provided by this subsection (h)(1)(B) shall be provided to all
25 retirees entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect,
26 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
27 date of retirement or the date on which the retiree reaches his or her Social Security retirement
28 age, whichever is later.

29 (2) Except as provided in subsection (h)(3) of this section, the benefit adjustments under
30 subsection (h)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio
31 of the employees' retirement system of Rhode Island, the judicial retirement benefits trust and the
32 state police retirement benefits trust, calculated by the system's actuary on an aggregate basis,
33 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all
34 members for such plan year.

1 In determining whether a funding level under this subsection (h)(2) has been achieved,
2 the actuary shall calculate the funding percentage after taking into account the reinstatement of
3 any current or future benefit adjustment provided under this section.

4 (3) Notwithstanding subsection (h)(2), in each fourth plan year commencing after June
5 30, 2012 commencing with the plan year ending June 30, 2016, and subsequently at intervals of
6 four plan years:

7 (i) A benefit adjustment shall be calculated and made in accordance with subsection
8 (h)(1)(B) above; and

9 (ii) Effective for members and/or beneficiaries of members who retired on or before June
10 30, 2015, the dollar amount in subsection (h)(1)(B)(II) of twenty-five thousand eight hundred and
11 fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six dollars
12 (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the judicial
13 retirement benefits trust and the state police retirement benefits trust, calculated by the system's
14 actuary on an aggregate basis, exceeds eighty percent (80%).

15 (i) Effective for members and or beneficiaries of members who have retired on or before
16 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
17 days following the enactment of the legislation implementing this provision, and a second one-
18 time stipend of five hundred dollars (\$500) in the same month of the following year. These
19 stipends shall be payable to all retired members or beneficiaries receiving a benefit as of the
20 applicable payment date and shall not be considered cost of living adjustments under the prior
21 provisions of this § 36-10-3.

22 SECTION 8. Section 36-10.3-1 of the General Laws in Chapter 36-10.3 entitled "Defined
23 Contribution Retirement Plan" is hereby amended to read as follows:

24 **36-10.3-1. Definitions.** -- As used in this chapter, the following terms, unless the context
25 requires a different interpretation, shall have the following meanings:

26 (1) "Compensation" means compensation as defined in section 36-8-1(8).

27 (2) "Employee" means an employee as defined in ~~section~~ §§ 36-8-1(9) and 45-21-2(7)
28 and a teacher as defined in § 16-16-1(12), effective July 1, 2012; provided however, effective
29 July 1, 2015, "employee" shall not include any employee with twenty (20) or more years of total
30 service as of June 30, 2012 in the employees retirement system under chapters 8 through 10 of
31 title 36 or chapter 16 of title 16 (ERS), or the municipal employees retirement system under
32 chapter 21 of title 45 (MERS).

33 (3) "Employer" means the State of Rhode Island or the local municipality which employs
34 a member of the Employees Retirement System under chapters 8 through 10 of title 36 or chapter

1 16 of title 16 (ERS) or the Municipal Employees Retirement System under chapters 21 and 21.2
2 of title 45 (MERS).

3 (4) "Plan" means the retirement plan established by this chapter.

4 (5) A "public safety member" shall mean a member of MERS who is a municipal fire
5 fighter or a municipal policeman or policewoman as defined in § 45-21.2-2 who does not
6 participate in Social Security under the Federal Old Age, Survivors, and Disability income
7 program.

8 (6) "Regular member" means:

9 (i) An employee who is a member of ERS other than correctional officers as defined in §
10 36-10-9.2; or

11 (ii) ~~A~~ [An employee who is a](#) member of MERS other than a public safety member.

12 (7) The "retirement board" or "board" shall mean the retirement board of the Employees
13 Retirement System of Rhode Island as defined in Chapter 36-8. The retirement board shall be the
14 plan administrator and plan trustee and shall administer the plan in accordance with § 36-8-4.1.

15 (8) "State investment commission" or "commission" means the state investment
16 commission as defined in § 35-10-1.

17 (9) "Supplemental employer" includes any employer that provides supplemental
18 contributions to the defined contribution retirement plan as provided in § 36-10.3-3.

19 (10) "Supplemental member" is defined in § 36-10.3-3.

20 SECTION 9. Section 36-10.3-5 of the General Laws in Chapter 36-10.3 entitled "Defined
21 Contribution Retirement Plan" is hereby amended to read as follows:

22 **36-10.3-5. Employer contributions.** -- (1) An employer shall contribute to each regular
23 member's individual account [the following amounts](#):

24 [\(i\) For members with fewer then ten \(10\) years of total service as of June 30, 2012,](#) an
25 amount equal to one percent (1%) of the member's compensation at the end of each payroll period
26 from July 1 to the following June 30- ;

27 [\(ii\) For members with ten \(10\) or more, but fewer than fifteen \(15\) years of total service](#)
28 [as of June 30, 2012, an amount equal to one percent \(1%\) of the member's compensation at the](#)
29 [end of each payroll period from July 1, 2012 through June 30, 2015, and effective July 1, 2015,](#)
30 [an amount equal to one and one-quarter percent \(1.25%\) of the member's compensation at the end](#)
31 [of each payroll period; and](#)

32 [\(iii\) For members with fifteen \(15\) or more, but fewer than twenty \(20\) years of total](#)
33 [service as of June 30, 2012, an amount equal to one percent \(1%\) of the member's compensation](#)
34 [at the end of each payroll period from July 1, 2012 through June 30, 2015, and effective July 1,](#)

1 [2015, an amount equal to one and one-half percent \(1.5%\) of the member's compensation at the](#)
2 [end of each payroll period from July 1 to the following June 30.](#)

3 (2) An employer shall contribute to the individual account of each public safety member,
4 not participating in Social Security under the Federal Old Age, Survivors and Disability Income
5 program, an amount equal to three percent (3%) of the member's compensation from July 1 to the
6 following June 30.

7 (3) Contributions by supplemental employers shall be governed by § 36-10.3-6.

8 SECTION 10. Chapter 36-10.3 of the General Laws entitled "Defined Contribution
9 Retirement Plan" is hereby amended by adding thereto the following section:

10 **36-10.3-13. Waiver of administrative fees.** – [Any plan administration fees assessed to](#)
11 [members of the plan after July 1, 2015, shall be reimbursed by the state for any member whose](#)
12 [annual compensation is thirty-five thousand dollars \(\\$35,000\) or less, said dollar amount to be](#)
13 [indexed annually in the same percentage determined under § 36-10-35\(h\)\(1\)\(B\).](#)

14 SECTION 11. Section 16-16-12 of the General Laws in Chapter 16-16 entitled "Teachers'
15 Retirement is hereby amended to read as follows:

16 **16-16-12. Procedure for service retirement.** -- Retirement of a member on a service
17 retirement allowance shall be made by the retirement board as follows:

18 (a) (i) Any member may retire upon his or her written application to the retirement board
19 as of the first day of the calendar month in which the application was filed, provided the member
20 was separated from service prior to filing the application, and further provided however, that if
21 separation from service occurs during the month in which the application is filed, the effective
22 date shall be the first day following the separation from service, and provided further that the
23 member on retirement date has attained the age of sixty (60) years and has completed at least ten
24 (10) years of contributory service on or before July 1, 2005, or regardless of age has completed
25 twenty-eight (28) years of total service and has completed at least ten (10) years of contributory
26 service on or before July 1, 2005, and who retire before October 1, 2009 or are eligible to retire as
27 of September 30, 2009.

28 (ii) For teachers who become eligible to retire on or after October 1, 2009 and prior to
29 July 1, 2012, benefits are available to teachers who have attained the age of sixty-two (62) and
30 completed at least ten (10) years of contributory service. For teachers in service as of October 1,
31 2009 who were not eligible to retire as of September 30, 2009 but became eligible to retire prior
32 to July 1, 2012, the minimum retirement age of sixty-two (62) will be adjusted downward in
33 proportion to the amount of service the member has earned as of September 30, 2009. The
34 proportional formula shall work as follows:

1 (A) The formula shall determine the first age of retirement eligibility under the laws in
2 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of
3 sixty-two (62).

4 (B) The formula shall then take the teacher's total service credit as of September 30,
5 2009 as the numerator and the years of service credit determined under (A) as the denominator.

6 (C) The fraction determined in (B) shall then be multiplied by the age difference in (1) to
7 apply a reduction in years from age sixty-two (62).

8 (b) (i) Any member, who has not completed at least ten (10) years of contributory
9 service on or before July 1, 2005, may retire upon his or her written application to the retirement
10 board as of the first day of the calendar month in which the application was filed; provided, the
11 member was separated from service prior thereto; and further provided, however, that if
12 separation from service occurs during the month in which application is filed, the effective date
13 shall be the first day following that separation from service; provided, the member on his or her
14 retirement date had attained the age of fifty-nine (59) and had completed at least twenty-nine (29)
15 years of total service; or provided, that the member on his or her retirement date had attained the
16 age of sixty-five (65) and had completed at least ten (10) years of contributory service; or
17 provided, that the member on his or her retirement date had attained the age of fifty-five (55) and
18 had completed twenty (20) years of total service and provided, that the retirement allowance, as
19 determined according to the formula in § 16-16-13 is reduced actuarially for each month that the
20 age of the member is less than sixty-five (65) years and who retire before October 1, 2009 or are
21 eligible to retire as of September 30, 2009.

22 (ii) For teachers who become eligible to retire on or after October 1, 2009 and prior to
23 July 1, 2012, benefits are available to teachers who have attained the age of sixty-two (62) and
24 have completed at least twenty-nine (29) years of total service or have attained the age of sixty-
25 five (65) and completed at least ten (10) years of contributory service. For teachers in service as
26 of October 1, 2009 who were not eligible to retire as of September 30, 2009 but become eligible
27 to retire prior to July 1, 2012, who have a minimum retirement age of sixty-two (62), the
28 retirement age will be adjusted downward in proportion to the amount of service the member has
29 earned as of September 30, 2009. The proportional formula shall work as follows:

30 (A) The formula shall determine the first age of retirement eligibility under the laws in
31 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of
32 sixty-two (62).

33 (B) The formula shall then take the teacher's total service credit as of September 30,
34 2009 as the numerator and the years of service credit determined under (A) as the denominator.

1 (C) The fraction determined in (B) shall then be multiplied by the age difference
2 determined in (A) to apply a reduction in years from age sixty-two (62).

3 (c) Effective July 1, 2012, the following shall apply to all teachers not eligible to retire
4 prior to July 1, 2012:

5 (i) A teacher with contributory service on or after July 1, 2012, shall be eligible to retire
6 upon the completion of at least five (5) years of contributory service and attainment of the
7 teacher's Social Security retirement age.

8 (ii) For teachers with five (5) or more years of contributory service as of June 30, 2012,
9 with contributory service on and after July 1, 2012, who have a retirement age of Social Security
10 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of
11 service the teacher has earned as of June 30, 2012, but in no event shall a teacher's retirement age
12 under this subparagraph (ii) be prior to the attainment of age fifty-nine (59) or prior to the
13 teacher's retirement age determined under the laws in effect on June 30, 2012. The proportional
14 formula shall work as follows:

15 (1) The formula shall determine the first age of retirement eligibility under the laws in
16 effect on June 30, 2012 which shall then be subtracted from Social Security retirement age;

17 (2) The formula shall then take the teacher's total service credit as of June 30, 2012 as
18 the numerator and the projected service at retirement age in effect on June 30, 2012 as the
19 denominator;

20 (3) The fraction determined in (2) shall then be multiplied by the age difference
21 determined in (1) to apply a reduction in years from Social Security retirement age.

22 (iii) ~~A~~ [Effective July 1, 2015, a](#) teacher who has completed twenty (20) or more years of
23 total service and who has attained an age within five (5) years of the eligible retirement age under
24 subdivisions (c)(i) or (c)(ii) above [or subsection \(d\) below](#), may elect to retire provided that the
25 retirement allowance shall be reduced actuarially for each month that the age of the teacher is less
26 than the eligible retirement age under subdivisions (c)(i) or (c)(ii) above [or subsection \(d\) below](#)
27 [in accordance with the following table:](#)

Year Preceding Retirement	Cumulative Annual Reduction	Cumulative Monthly Reduction
For Year 1	9%	.75%
For Year 2	8%	.667%
For Year 3	7%	.583%
For Year 4	7%	.583%
For Year 5	7%	.583%.

34 (iv) Notwithstanding any other provisions of ~~this~~ section [§ 16-16-12\(c\)](#), a teacher who

1 has completed ten (10) or more years of contributory service as of June 30, 2012, may elect to
2 retire at his or her eligible retirement date as determined under subsections (a) and (b) above
3 provided that a teacher making an election under this paragraph shall receive the teacher's
4 retirement benefit determined and calculated based on the teacher's service and average
5 compensation as of June 30, 2012. This provision shall be interpreted and administered in a
6 manner to protect a teacher's accrued benefit on June 30, 2012.

7 (d) Notwithstanding any other provisions of subsection (c) above, effective July 1, 2015,
8 teachers in active service shall be eligible to retire upon the earlier of:

9 (A) The attainment of at least age sixty-five (65) and the completion of at least thirty (30)
10 years of total service, or the attainment of at least age sixty-four (64) and the completion of at
11 least thirty-one (31) years of total service, or the attainment of at least age sixty-three (63) and the
12 completion of at least thirty-two (32) years of total service, or the attainment of at least age sixty-
13 two (62) and the completion of at least thirty-three (33) years of total service; or

14 (B) The teacher's retirement eligibility date under subsections (c)(i) or (c)(ii) above.

15 ~~(d)~~(e) Except as specifically provided in §§ 36-10-9.1, 36-10-12 through 36-10-15, and
16 45-21-19 through 45-21-22, no member shall be eligible for pension benefits under this chapter
17 unless

18 (i) The member shall have been a contributing member of the employees' retirement
19 system for at least ten (10) years; or

20 (ii) For teachers in active contributory service on or after July 1, 2012, the teacher shall
21 have been a contributing member of the employees' retirement system for at least five (5) years.

22 (2) Provided, however, a person who has ten (10) years service credit shall be vested;
23 provided that for teachers in active contributory service on or after July 1, 2012, a teacher who
24 has five (5) years of contributory service shall be vested.

25 (3) Furthermore, any past service credits purchased in accordance with § 36-9-38 shall
26 be counted towards vesting.

27 (4) Any person who becomes a member of the employees' retirement system pursuant to
28 § 45-21-8 shall be considered a contributing member for the purpose of chapter 21 of title 45 and
29 this chapter.

30 (5) Notwithstanding any other provision of law, no more than five (5) years of service
31 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
32 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years
33 of service credit before January 1, 1995, shall be permitted to apply the purchases towards the
34 member's service retirement. However, no further purchase will be permitted.

1 (6) Notwithstanding any other provision of law, effective July 1, 2012, except for
2 purchases under §§ 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53:

3 (i) For service purchases for time periods prior to a teacher's initial date of hire, the
4 purchase must be made within three (3) years of the teacher's initial date of hire; and

5 (ii) For service purchases for time periods for official periods of leave as authorized by
6 law, the purchase must be made within three (3) years of the time the official leave was
7 concluded by the teacher. Notwithstanding paragraphs (i) and (ii) above, service purchases from
8 time periods prior to June 30, 2012 may be made on or prior to June 30, 2015.

9 ~~(e)~~(f) No member of the teachers' retirement system shall be permitted to purchase
10 service credits for casual or seasonal employment, for employment as a temporary or emergency
11 employee, a page in the general assembly, or for employment at any state college or university
12 while the employee is a student or graduate of the college or university.

13 ~~(f)~~(g) Except as specifically provided in §§ 16-16-6.2 and 16-16-6.4, a member shall not
14 receive service credit in this retirement system for any year or portion of a year which counts as
15 service credit in any other retirement system in which the member is vested or from which the
16 member is receiving a pension and/or any annual payment for life. This subsection shall not apply
17 to any payments received pursuant to the federal Social Security Act, 42 U.S.C. § 301 et seq.

18 ~~(g)~~(h) A member who seeks to purchase or receive service credit in this retirement
19 system shall have the affirmative duty to disclose to the retirement board whether or not he or she
20 is a vested member in any other retirement system and/or is receiving a pension, retirement
21 allowance, or any annual payment for life. The retirement board shall have the right to investigate
22 as to whether or not the member has utilized the same time of service for credit in any other
23 retirement system. The member has an affirmative duty to cooperate with the retirement board
24 including, by way of illustration and not by way of limitation, the duty to furnish or have
25 furnished to the retirement board any relevant information that is protected by any privacy act.

26 ~~(h)~~(i) A member who fails to cooperate with the retirement board shall not have the time
27 of service credit counted toward total service credit until the time the member cooperates with the
28 retirement board and until the time the retirement board determines the validity of the service
29 credit.

30 ~~(i)~~(j) A member who knowingly makes a false statement to the retirement board
31 regarding service time or credit shall not be entitled to a retirement allowance and is entitled only
32 to the return of his or her contributions without interest.

33 SECTION 12. Section 16-16-13 of the General Laws in Chapter 16-16 entitled "Teachers'
34 Retirement is hereby amended to read as follows:

1 years of total service, but in no case to exceed eighty percent (80%) of the compensation, payable
2 at completion of thirty-five (35) years of service; provided, however, for teachers retiring on or
3 after October 1, 2009 who were not eligible to retire as of September 30, 2009 the calculation
4 shall be based on the average highest five (5) consecutive years of compensation. The retirement
5 allowance of any teacher whose membership commenced after July 1, 2005 or who has not
6 completed at least ten (10) years of contributory service as of July 1, 2005 shall be in an amount
7 equal to the percentage allowance specified in Schedule B of his or her average highest three (3)
8 consecutive years of compensation multiplied by the number of years of total service, but in no
9 case to exceed seventy-five percent (75%) of the compensation, payable at completion of thirty-
10 eight (38) years of service; provided, however, for teachers retiring on or after October 1, 2009
11 who were not eligible to retire as of September 30, 2009 the calculation shall be based on the
12 average highest five (5) consecutive years of compensation. Any teacher who has in excess of
13 thirty-five (35) years on or before June 2, 1985 shall not be entitled to any refund, and any teacher
14 with thirty-five (35) years or more on or after June 2, 1985 shall contribute from July 1, 1985
15 until his or her retirement.

16 (c) For service prior to July 2012, the retirement allowance of a teacher shall be
17 determined in accordance with subsections (a)(1) and (a)(2) above. For service on and after July
18 1, 2012;

19 (i) For teachers with fewer than twenty (20) years of total service as of June 30, 2012, a
20 teacher's retirement allowance shall be equal to one percent (1%) of the teacher's average
21 compensation multiplied by the teacher's years of total service on and after July 1, 2012; and

22 (ii) For teachers with twenty (20) or more years of total service as of June 30, 2012, a
23 teacher's retirement allowance shall be equal to one percent (1%) of the teacher's average
24 compensation multiplied by the teacher's years of total service between July 1, 2012 and June 30,
25 2015, and two percent (2%) of the teacher's average compensation multiplied by the teacher's
26 years of total service on and after July 1, 2015. For purposes of computing a teacher's total
27 service under the preceding sentence, service purchases shall be included in total service only
28 with respect to those service purchases approved prior to June 30, 2012 and those applications for
29 service purchases received by the retirement system on or before June 30, 2012. In no event shall
30 a teacher's retirement allowance exceed the maximum limitations set forth in subsection (b)
31 above.

32 SECTION 13. Section 16-16-22 of the General Laws in Chapter 16-16 entitled "Teachers'
33 Retirement is hereby amended to read as follows:

34 **16-16-22. Contributions to state system.** -- (a) Prior to July 1, 2012, each teacher shall

1 contribute into the system nine and one-half percent (9.5%) of compensation as his or her share of
2 the cost of annuities, benefits, and allowances. Effective July 1, 2012, each teacher shall
3 contribute an amount equal to three and three quarters percent (3.75%) of his or her
4 compensation. Effective July 1, 2015, each teacher with twenty (20) or more years of total service
5 as of June 30, 2012 shall contribute an amount equal to eleven percent (11%) of his or her
6 compensation. The employer contribution on behalf of teacher members of the system shall be in
7 an amount that will pay a rate percent of the compensation paid to the members, according to the
8 method of financing prescribed in the State Retirement Act in chapters 8 -- 10 and 10.3 of title 36.
9 This amount shall be paid forty percent (40%) by the state, and sixty percent (60%) by the city,
10 town, local educational agency, or any formalized commissioner approved cooperative service
11 arrangement by whom the teacher members are employed, with the exception of teachers who
12 work in federally funded projects and further with the exception of any supplemental
13 contributions by a local municipality employer under chapter 36-10.3 which supplemental
14 employer contributions shall be made wholly by the local municipality. Provided, however, that
15 the rate percent paid shall be rounded to the nearest hundredth of one percent (.01%).

16 (b) The employer contribution on behalf of teacher members of the system who work in
17 fully or partially federally funded programs shall be prorated in accordance with the share of the
18 contribution paid from the funds of the federal, city, town, or local educational agency, or any
19 formalized commissioner approved cooperative service arrangement by whom the teacher
20 members are approved.

21 (c) In case of the failure of any city, town, or local educational agency, or any formalized
22 commissioner approved cooperative service arrangement to pay to the state retirement system the
23 amounts due from it under this section within the time prescribed, the general treasurer is
24 authorized to deduct the amount from any money due the city, town, or local educational agency
25 from the state.

26 (d) The employer's contribution shared by the state shall be paid in the amounts
27 prescribed in this section for the city, town, or local educational agency and under the same
28 payment schedule. Notwithstanding any other provisions of this chapter, the city, town, or local
29 educational agency or any formalized commissioner approved cooperative service arrangement
30 shall remit to the general treasurer of the state the local employer's share of the teacher's
31 retirement payments on a monthly basis, payable by the fifteenth (15th) of the following month.
32 The amounts that would have been contributed shall be deposited by the state in a special fund
33 and not used for any purpose. The general treasurer, upon receipt of the local employer's share,
34 shall effect transfer of a matching amount of money from the state funds appropriated for this

1 purpose by the general assembly into the retirement fund.

2 Upon reconciliation of the final amount owed to the retirement fund for the employer
3 share, the state shall ensure that any local education aid reduction assumed for the FY 2010
4 revised budget in excess of the actual savings is restored to the respective local entities.

5 (e) This section is not subject to §§ 45-13-7 through 45-13-10.

6 SECTION 14. Section 16-16-40 of the General Laws in Chapter 16-16 entitled "Teachers'
7 Retirement is hereby amended to read as follows:

8 **16-16-40. Additional benefits payable to retired teachers.** -- (a) All teachers and all
9 beneficiaries of teachers receiving any service retirement or ordinary or accidental disability
10 retirement allowance pursuant to the provisions of this chapter and chapter 17 of this title, on or
11 before December 31, 1967, shall receive a cost of living retirement adjustment equal to one and
12 one-half percent (1.5%) per year of the original retirement allowance, not compounded, for each
13 year the retirement allowance has been in effect. For purposes of computation credit shall be
14 given for a full calendar year regardless of the effective date of the retirement allowance. This
15 cost of living retirement adjustment shall be added to the amount of the service retirement
16 allowance as of January 1, 1970, and payment shall begin as of July 1, 1970. An additional cost
17 of living retirement adjustment shall be added to the original retirement allowance equal to three
18 percent (3%) of the original retirement allowance on the first day of January, 1971, and each year
19 thereafter through December 31, 1980.

20 (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary
21 disability retirement allowance pursuant to the provisions of this title who retired on or after
22 January 1, 1968, shall, on the first day of January, next following the third (3rd) year on
23 retirement, receive a cost of living adjustment, in addition to his or her retirement allowance, an
24 amount equal to three percent (3%) of the original retirement allowance. In each succeeding year
25 thereafter, on the first day of January, the retirement allowance shall be increased an additional
26 three percent (3%) of the original retirement allowance, not compounded, to be continued through
27 December 31, 1980.

28 (c) (1) Beginning on January 1, 1981, for all teachers and beneficiaries of teachers
29 receiving any service retirement and all teachers and all beneficiaries of teachers who have
30 completed at least ten (10) years of contributory service on or before July 1, 2005, pursuant to the
31 provisions of this chapter, and for all teachers and beneficiaries of teachers who receive a
32 disability retirement allowance pursuant to §§ 16-16-14 -- 16-16-17, the cost of living adjustment
33 shall be computed and paid at the rate of three percent (3%) of the original retirement allowance
34 or the retirement allowance as computed in accordance with § 16-16-40.1, compounded annually

1 from the year for which the cost of living adjustment was determined to be payable by the
2 retirement board pursuant to the provisions of subsection (a) or (b) of this section. Such cost of
3 living adjustments are available to teachers who retire before October 1, 2009 or are eligible to
4 retire as of September 30, 2009.

5 (2) The provisions of this subsection shall be deemed to apply prospectively only and no
6 retroactive payment shall be made.

7 (3) The retirement allowance of all teachers and all beneficiaries of teachers who have
8 not completed at least ten (10) years of contributory service on or before July 1, 2005 or were not
9 eligible to retire as of September 30, 2009, shall, on the month following the third anniversary
10 date of the retirement, and on the month following the anniversary date of each succeeding year
11 be adjusted and computed by multiplying the retirement allowance by three percent (3%) or the
12 percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as
13 published by the United States Department of Labor Statistics, determined as of September 30 of
14 the prior calendar year, whichever is less; the cost of living adjustment shall be compounded
15 annually from the year for which the cost of living adjustment was determined payable by the
16 retirement board; provided, that no adjustment shall cause any retirement allowance to be
17 decreased from the retirement allowance provided immediately before such adjustment.

18 (d) For teachers not eligible to retire in accordance with this chapter as of September 30,
19 2009 and not eligible upon passage of this article, and for their beneficiaries, the cost of living
20 adjustment described in subsection (3) above shall only apply to the first thirty-five thousand
21 dollars (\$35,000) of retirement allowance, indexed annually, and shall commence upon the third
22 (3rd) anniversary of the date of retirement or when the retiree reaches age sixty-five (65),
23 whichever is later. The thirty-five thousand dollar (\$35,000) limit shall increase annually by the
24 percentage increase in the Consumer Price Index for all Urban Consumer (CPI-U) as published
25 by the United States Department of Labor Statistics determined as of September 30 of the prior
26 calendar year or three percent (3%), whichever is less. The first thirty-five thousand dollars
27 (\$35,000), as indexed, of retirement allowance shall be multiplied by the percentage of increase
28 in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States
29 Department of Labor Statistics determined as of September 30 of the prior calendar year or three
30 percent (3%), whichever is less, on the month following the anniversary date of each succeeding
31 year. For teachers eligible to retire as of September 30, 2009 or eligible upon passage of this
32 article, and for their beneficiaries, the provisions of this subsection (d) shall not apply.

33 (e) [This subsection \(e\) shall be effective for the period July 1, 2012 through June 30,](#)
34 [2015.](#)

1 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (e)(2)
2 below, for all present and former teachers, active and retired teachers, and beneficiaries receiving
3 any retirement, disability or death allowance or benefit of any kind, the annual benefit adjustment
4 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)
5 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the
6 "subtrahend") from the Five-Year Average Investment Return of the retirement system
7 determined as of the last day of the plan year preceding the calendar year in which the adjustment
8 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
9 (0%), and (B) is equal to the lesser of the teacher's retirement allowance or the first twenty-five
10 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)
11 amount to be indexed annually in the same percentage as determined under paragraph (e)(1)(A)
12 above. The "Five-Year Average Investment Return" shall mean the average of the investment
13 returns of the most recent five (5) plan years as determined by the retirement board. Subject to
14 paragraph (e)(2) below, the benefit adjustment provided by this paragraph shall commence upon
15 the third (3rd) anniversary of the date of retirement or the date on which the retiree reaches his or
16 her Social Security retirement age, whichever is later. In the event the retirement board adjusts
17 the actuarially assumed rate of return for the system, either upward or downward, the subtrahend
18 shall be adjusted either upward or downward in the same amount.

19 (2) Except as provided in paragraph (e)(3), the benefit adjustments under this section for
20 any plan year shall be suspended in their entirety unless the ~~GASB~~ Funded Ratio of the
21 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the
22 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,
23 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all
24 teachers for such plan year.

25 In determining whether a funding level under this paragraph (e)(2) has been achieved,
26 the actuary shall calculate the funding percentage after taking into account the reinstatement of
27 any current or future benefit adjustment provided under this section. ~~"GASB Funded Ratio" shall~~
28 ~~mean the ratio of the actuarial value of assets to the actuarial accrued liability.~~

29 (3) Notwithstanding paragraph (e)(2), in each fifth plan year commencing after June 30,
30 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
31 plan years, a benefit adjustment shall be calculated and made in accordance with paragraph (e)(1)
32 above until the ~~GASB~~ Funded Ratio of the Employees' Retirement System of Rhode Island, the
33 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by
34 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

1 (4) Notwithstanding any other provisions of this chapter, the provisions of this paragraph
2 (e) of § 16-16-40 shall become effective July 1, 2012, and shall apply to any benefit adjustments
3 not granted on or prior to June 30, 2012.

4 (f) This subsection (f) shall become effective July 1, 2015.

5 (1)(A) As soon as administratively reasonable following the enactment into law of this
6 subsection (f)(1)(A), a one-time benefit adjustment shall be provided to teachers and/or
7 beneficiaries of teachers who retired on or before June 30, 2012, in the amount of two percent
8 (2%) of the lesser of either the teacher's retirement allowance or the first twenty-five thousand
9 dollars (\$25,000) of the teacher's retirement allowance. This one-time benefit adjustment shall be
10 provided without regard to the retiree's age or number of years since retirement.

11 (B) Notwithstanding the prior subsections of this section, for all present and former
12 teachers, active and retired teachers, and beneficiaries receiving any retirement, disability or
13 death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar
14 year under this section for adjustments on and after January 1, 2016, and subject to subsection
15 (f)(2) below, shall be equal to (I) multiplied by (II):

16 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

17 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
18 (the "subtrahend") from the five-year average investment return of the retirement system
19 determined as of the last day of the plan year preceding the calendar year in which the adjustment
20 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
21 (0%). The "five-year average investment return" shall mean the average of the investment returns
22 of the most recent five (5) plan years as determined by the retirement board. In the event the
23 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
24 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

25 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
26 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
27 Statistics determined as of September 30 of the prior calendar year.

28 In no event shall the sum of (i) plus (ii) exceed three and one-half percent (3.5%) or be
29 less than (0%) percent.

30 (II) is equal to the lesser of either the teacher's retirement allowance or the first twenty-
31 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
32 to be indexed annually in the same percentage as determined under subsection (f)(1)(B)(I) above.

33 The benefit adjustments provided by this subsection (f)(1)(B) shall be provided to all
34 retirees entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect,

1 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
2 date of retirement or the date on which the retiree reaches his or her Social Security retirement
3 age, whichever is later.

4 (2) Except as provided in subsection (f)(3), the benefit adjustments under subsection
5 (f)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
6 employees' retirement system of Rhode Island, the judicial retirement benefits trust and the state
7 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
8 eighty percent (80%) in which event the benefit adjustment will be reinstated for all teachers for
9 such plan year.

10 In determining whether a funding level under this subsection (f)(2) has been achieved, the
11 actuary shall calculate the funding percentage after taking into account the reinstatement of any
12 current or future benefit adjustment provided under this section.

13 (3) Notwithstanding subsection (f)(2), in each fourth plan year commencing after June
14 30, 2012 commencing with the plan year ending June 30, 2016, and subsequently at intervals of
15 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with
16 subsection (f)(1)(B) above; and (ii) Effective for teachers and/or beneficiaries of teachers who
17 retired on or before June 30, 2015, the dollar amount in subsection (f)(1)(B)(II) of twenty-five
18 thousand eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand
19 and twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of
20 Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,
21 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

22 (4) Effective for teachers and or beneficiaries of teachers who have retired on or before
23 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
24 days following the enactment of the legislation implementing this provision, and a second one-
25 time stipend of five hundred dollars (\$500) in the same month of the following year. These
26 stipends shall be payable to all retired teachers or beneficiaries receiving a benefit as of the
27 applicable payment date and shall not be considered cost of living adjustments under the prior
28 provisions of this § 16-16-40.

29 SECTION 15. Section 45-21-2 of the General Laws in Chapter 45-21 entitled
30 "Retirement of Municipal Employees" is hereby amended to read as follows:

31 **45-21-2. Definitions. --** The following words and phrases as used in this chapter have the
32 following meanings unless a different meaning is plainly required by the context:

33 (1) "Accumulated contributions" means the sum of all amounts deducted from the
34 compensation of a member and credited to his or her individual account in the members'

1 contribution reserve account.

2 (2) "Active member" means any employee of a participating municipality as defined in
3 this section for whom the retirement system is currently receiving regular contributions pursuant
4 to §§ 45-21-41, 45-21-41.1 or 45-21.2-14.

5 (3) "Actuarial reserve" means the present value of all payments to be made on account of
6 any annuity, retirement allowance, or benefit, computed upon the basis of mortality tables
7 adopted by the retirement board with regular interest.

8 (4) "Beneficiary" means any person in receipt of a retirement allowance, annuity, or
9 other benefit as provided by this chapter.

10 (5) For purposes of this chapter, "domestic partner" shall be defined as a person who,
11 prior to the decedent's death, was in an exclusive, intimate and committed relationship with the
12 decedent, and who certifies by affidavit that their relationship met the following qualifications:

13 (i) Both partners were at least eighteen (18) years of age and were mentally competent to
14 contract;

15 (ii) Neither partner was married to anyone else;

16 (iii) Partners were not related by blood to a degree which would prohibit marriage in the
17 state of Rhode Island;

18 (iv) Partners resided together and had resided together for at least one year at the time of
19 death; and

20 (v) Partners were financially interdependent as evidenced by at least two (2) of the
21 following:

22 (A) Domestic partnership agreement or relationship contract;

23 (B) Joint mortgage or joint ownership of primary residence;

24 (C) Two (2) of: (I) Joint ownership of motor vehicle; (II) Joint checking account; (III)
25 Joint credit account; (IV) Joint lease; and/or

26 (D) The domestic partner had been designated as a beneficiary for the decedent's will,
27 retirement contract or life insurance.

28 (6) "Effective date of participation" means the date on which the provisions of this
29 chapter have become applicable to a municipality accepting the provisions of the chapter in the
30 manner stated in § 45-21-4.

31 (7) "Employee" means any regular and permanent employee or officer of any
32 municipality, whose business time at a minimum of twenty (20) hours a week is devoted to the
33 service of the municipality, including elective officials and officials and employees of city and
34 town housing authorities. Notwithstanding the previous sentence, the term "employee", for the

1 purposes of this chapter, does not include any person whose duties are of a casual or seasonal
2 nature. The retirement board shall decide who are employees within the meaning of this chapter,
3 but in no case shall it deem as an employee any individual who annually devotes less than twenty
4 (20) business hours per week to the service of the municipality and who receives less than the
5 equivalent of minimum wage compensation on an hourly basis for his or her services, except as
6 provided in § 45-21-14.1. Casual employees mean those persons hired for an occasional period or
7 a period of emergency to perform special jobs or functions not necessarily related to the work of
8 regular employees. Any commissioner of a municipal housing authority, or any member of a part-
9 time state board commission, committee or other authority is not deemed to be an employee
10 within the meaning of this chapter.

11 (8)(a) "Final compensation" for members who are eligible to retire on or prior to June
12 30, 2012 ~~shall~~ means the average annual compensation, pay, or salary of a member for services
13 rendered during the period of three (3) consecutive years within the total service of the member
14 when the average was highest, and as the term average annual compensation is further defined in
15 subdivision 36-8-1(5)(a). For members eligible to retire on or after July 1, 2012, "final
16 compensation" means the average of the highest five (5) consecutive years of compensation
17 within the total service when the final compensation was the highest.

18 (b) For members who become eligible to retire on or after July 1, 2012, if more than one
19 half (1/2) of the member's total years of service consist of years of service during which the
20 member devoted less than thirty (30) business hours per week to the service of the municipality,
21 but the member's average compensation consists of three (3) or more years during which the
22 member devoted more than thirty (30) business hours per week to the service of a municipality,
23 such member's average compensation shall mean the average of the highest ten (10) consecutive
24 years of compensation within the total service when the average compensation was the highest;
25 provided however, effective July 1, 2015, if such member's average compensation as defined in
26 subsection (a) above is equal to or less than thirty-five thousand dollars (\$35,000), such amount
27 to be indexed annually in accordance with § 45-21-52(d)(1)(B), such member's average
28 compensation shall mean the greater of: (i) The average of the highest ten (10) consecutive years
29 of compensation within the total service when the average compensation was the highest; or (ii)
30 The member's average compensation as defined in subsection (a) above. To protect a member's
31 accrued benefit on June 30, 2012 under this § 45-21-2(8)(b), in no event shall a member's average
32 compensation be lower than his or her average compensation determined as of June 30, 2012.
33 Notwithstanding the preceding provisions, in no event shall a member's final compensation be
34 lower than his or her final compensation determined as of June 30, 2012.

1 (9) "Fiscal year" means the period beginning on July 1 in any year and ending on June
2 30 of the next succeeding year.

3 (10) "Full actuarial costs" or "full actuarial value" mean the lump sum payable by a
4 member claiming service credit for certain employment for which payment is required, which is
5 determined according to the age of the member and his or her annual rate of compensation at the
6 time he or she applies for service credit, and which is expressed as a rate percent of the annual
7 rate of compensation to be multiplied by the number of years for which he or she claims the
8 service credit, as prescribed in a schedule adopted by the retirement board, from time to time, on
9 the basis of computation by the actuary. Except as provided in §§ 16-16-7.1, 36-5-3, 36-9-31, 36-
10 10-10.4, and subdivision 45-21-53: (i) All service credit purchases requested after June 16, 2009
11 and prior to July 1, 2012, shall be at full actuarial value; and (ii) All service credit purchases
12 requested after June 30, 2012 shall be at full actuarial value which shall be determined using the
13 system's assumed investment rate of return minus one percent (1%).

14 (11) "Governing body" means any and all bodies empowered to appropriate monies for,
15 and administer the operation of, the units as defined in subdivision (1) of this section.

16 (12) "Member" means any person included in the membership of the retirement system
17 as provided in § 45-21-8.

18 (13) "Municipality" means any town or city in the state of Rhode Island, any city or town
19 housing authority, fire, water, sewer district, regional school district, public building authority as
20 established by chapter 14 of title 37, or any other municipal financed agency to which the
21 retirement board has approved admission in the retirement system.

22 (14) "Participating municipality" means any municipality which has accepted this
23 chapter, as provided in § 45-21-4.

24 (15) "Prior service" means service as a member rendered before the effective date of
25 participation as defined in this section, certified on his or her prior service certificate, and
26 allowable as provided in § 45-21-15.

27 (16) "Regular interest" means interest at the assumed investment rate of return,
28 compounded annually, as may be prescribed from time to time by the retirement board.

29 (17) "Retirement allowance" or "annuity" means the amounts paid to any member of the
30 municipal employees' retirement system of the state of Rhode Island, or a survivor of the
31 member, as provided in this chapter. All retirement allowances or annuities shall be paid in equal
32 monthly installments for life, unless otherwise specifically provided.

33 (18) "Retirement board" or "board" means the state retirement board created by chapter 8
34 of title 36.

1 (19) "Retirement system" means the "municipal employees' retirement system of the
2 state of Rhode Island" as defined in § 45-21-32.

3 (20) "Service" means service as an employee of a municipality of the state of Rhode
4 Island as defined in subdivision (7).

5 (21) "Total service" means prior service as defined in subdivision (15) plus service
6 rendered as a member on or after the effective date of participation.

7 (22) Any term not specifically defined in this chapter and specifically defined in chapters
8 36-8 through 36-10 shall have the same definition as set forth in chapters 36-8 through 36-10.

9 SECTION 16. Section 45-21-16 of the General Laws in Chapter 45-21 entitled
10 "Retirement of Municipal Employees" is hereby amended to read as follows:

11 **45-21-16. Retirement on service allowance.** -- Retirement of a member on a service
12 retirement allowance shall be made by the retirement board as follows:

13 (1) (i) Any member who is eligible to retire on or before June 30, 2012, may retire upon
14 the member's written application to the retirement board as of the first day of the calendar month
15 in which the application was filed, provided the member was separated from service prior to the
16 application, and provided, further, that if separation from service occurs during the month in
17 which application is filed, the effective date is the first day following the separation from service,
18 provided that the member at the time so specified for the member's retirement has attained the
19 applicable minimum retirement age and has completed at least ten (10) years of total service or
20 who, regardless of age, completed thirty (30) years of total service, and notwithstanding that
21 during the period of notification the member has separated from service. The minimum ages for
22 service retirement (except for employees completing thirty (30) years of service) is fifty-eight
23 (58) years.

24 (ii) Effective July 1, 2012, the following shall apply to all members not eligible to retire
25 prior to July 1, 2012:

26 (A) A member with contributory service on or after July 1, 2012, shall be eligible to
27 retire upon the completion of at least five (5) years of contributory service and attainment of the
28 member's Social Security retirement age.

29 (B) For members with five (5) or more years of contributory service as of June 30, 2012,
30 with contributory service on and after July 1, 2012, who have a retirement age of Social Security
31 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of
32 service the member has earned as of June 30, 2012, but in no event shall a member's retirement
33 age under this subparagraph (B) be prior to the attainment of age fifty-nine (59) or prior to the
34 member's retirement age determined under the laws in effect on June 30, 2012. The proportional

1 formula shall work as follows:

2 (1) The formula shall determine the first age of retirement eligibility under the laws in
3 effect on June 30, 2012 which shall then be subtracted from Social Security retirement age;

4 (2) The formula shall then take the member's total service credit as of June 30, 2012 as
5 the numerator and the projected service at retirement age in effect on June 30, 2012 as the
6 denominator;

7 (3) The fraction determined in (2) shall then be multiplied by the age difference
8 determined in (1) to apply a reduction in years from Social Security retirement age.

9 (C) Effective July 1, 2015, a member who has completed twenty (20) or more years of
10 total service and who has attained an age within five (5) years of the eligible retirement age under
11 subparagraphs (ii)(A) or (ii)(B) above or subsection (iii) below, may elect to retire provided that
12 the retirement allowance shall be reduced actuarially for each month that the age of the member is
13 less than the eligible retirement age under subparagraphs (ii)(A) or (ii)(B) above or subsection
14 (iii) below in accordance with the following table:

<u>Year Preceding Retirement</u>	<u>Cumulative Annual Reduction</u>	<u>Cumulative Monthly Reduction</u>
<u>For Year 1</u>	<u>9%</u>	<u>.75%</u>
<u>For Year 2</u>	<u>8%</u>	<u>.667%</u>
<u>For Year 3</u>	<u>7%</u>	<u>.583%</u>
<u>For Year 4</u>	<u>7%</u>	<u>.583%</u>
<u>For Year 5</u>	<u>7%</u>	<u>.583%</u>

21 (D)(1) Notwithstanding any other provisions of section 42-21-16(1)(ii), a member who
22 has completed ten (10) or more years of contributory service as of June 30, 2012, may elect to
23 retire at his or her eligible retirement date as determined under paragraph (i) above provided that
24 a member making an election under this paragraph shall receive the member's retirement benefit
25 determined and calculated based on the member's service and average compensation as of June
26 30, 2012. This provision shall be interpreted and administered in a manner to protect a member's
27 accrued benefit on June 30, 2012.

28 (iii) Notwithstanding any other provisions of subsection (ii) above, effective July 1, 2015,
29 members in active service shall be eligible to retire upon the earlier of: (I) The attainment of at
30 least age sixty-five (65) and the completion of at least thirty (30) years of total service, or the
31 attainment of at least age sixty-four (64) and the completion of at least thirty-one (31) years of
32 total service, or the attainment of at least age sixty-three (63) and the completion of at least thirty-
33 two (32) years of total service, or the attainment of at least age sixty-two (62) and the completion
34 of at least thirty-three (33) years of total service; or (II) The member's retirement eligibility date

1 [under subsections \(ii\)\(A\) or \(ii\)\(B\) above.](#)

2 (2) Except as specifically provided in §§ 45-21-19 -- 45-21-22, no member is eligible for
3 pension benefits under this chapter unless:

4 (I) On or prior to June 30, 2012 the member has been a contributing member of the
5 employees' retirement system for at least ten (10) years; or

6 (II) For members in active contributory service on or after July 1, 2012, the member
7 shall have been a contributing member of the employees' retirement system for at least five (5)
8 years.

9 (i) Provided, however, a person who has ten (10) years service credit on or before June
10 16, 1991 is vested.

11 (ii) Furthermore, any past service credits purchased in accordance with § 45-21-62 are
12 counted towards vesting.

13 (iii) Any person who becomes a member of the employees' retirement system pursuant to
14 § 45-21-4 shall be considered a contributing member for the purpose of this chapter.

15 (iv) Notwithstanding any other provision of law, no more than five (5) years of service
16 credit may be purchased by a member of the System. The five (5)-year limit does not apply to any
17 purchases made prior to the effective date of this provision. A member who has purchased more
18 than five (5) years of service credit maximum, before January 1, 1995, shall be permitted to apply
19 the purchases towards the member's service retirement. However, no further purchase will be
20 permitted. Repayment, in accordance with applicable law and regulation, of any contribution
21 previously withdrawn from the System is not deemed a purchase of service credit.

22 (v) Notwithstanding any other provision of law, effective July 1, 2012, except for
23 purchases under §§ 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53:

24 (I) For service purchases for time periods prior to a member's initial date of hire; the
25 purchase must be made within three (3) years of the member's initial date of hire; and

26 (II) For service purchases for time periods for official periods of leave as authorized by
27 law, the purchase must be made within three (3) years of the time the official leave was
28 concluded by the member.

29 Notwithstanding (I) and (II) above, service purchases from time periods prior to June 30,
30 2012 may be made on or prior to June 30, 2015.

31 (3) No member of the municipal employees' retirement system is permitted to purchase
32 service credits for casual, temporary, emergency or seasonal employment, for employment as a
33 page in the general assembly, or for employment at any state college or university while the
34 employee is a student or graduate assistant of the college or university.

1 (4) A member does not receive service credit in this retirement system for any year or
2 portion of a year, which counts as service credit in any other retirement system in which the
3 member is vested or from which the member is receiving a pension and/or any annual payment
4 for life. This subsection does not apply to any payments received pursuant to the Federal Social
5 Security Act or to payments from a military pension earned prior to participation in state or
6 municipal employment, or to military service credits earned prior to participation in state or
7 municipal employment.

8 (5) A member who seeks to purchase or receive service credit in this retirement system
9 has the affirmative duty to disclose to the retirement board whether or not he or she is a vested
10 member in any other retirement system and/or is receiving a pension retirement allowance or any
11 annual payment for life. The retirement board has the right to investigate whether or not the
12 member has utilized the same time of service for credit in any other retirement system. The
13 member has an affirmative duty to cooperate with the retirement board including, by way of
14 illustration and not by way of limitation, the duty to furnish or have furnished to the retirement
15 board any relevant information which is protected by any privacy act.

16 (6) A member who fails to cooperate with the retirement board shall not have the time of
17 service counted toward total service credit until a time that the member cooperates with the
18 retirement board and until a time that the retirement board determines the validity of the service
19 credit.

20 (7) A member who knowingly makes a false statement to the retirement board regarding
21 service time or credit is not entitled to a retirement allowance and is entitled only to the return of
22 his or her contributions without interest.

23 SECTION 17. Section 45-21-17 of the General Laws in Chapter 45-21 entitled
24 "Retirement of Municipal Employees" is hereby amended to read as follows:

25 **45-21-17. Service retirement allowance.** -- (a) Upon retirement from service after
26 January 1, 1969, a member shall receive a retirement allowance which is a life annuity terminable
27 upon death of the annuitant and is an amount is equal to two percent (2%) of final compensation
28 multiplied by the number of years of total service, not to exceed thirty-seven and one-half (37
29 1/2) years for services on and prior to June 30, 2012. For service on and after July 1, 2012: (i) For
30 members with fewer than twenty (20) years of total service as of June 30, 2012, a member's
31 retirement allowance shall be equal to one percent (1%) of the member's final compensation
32 multiplied by the member's years of total service on and after July 1, 2012; and (ii) For members
33 with twenty (20) or more years of total service as of June 30, 2012, a member's retirement
34 allowance shall be equal to one percent (1%) of the member's average compensation multiplied

1 by the member's years of total service between July 1, 2012 and June 30, 2015, and two percent
2 (2%) of the member's average compensation multiplied by the member's years of total service on
3 and after July 1, 2015. For purposes of computing a member's total service under the preceding
4 sentence, service purchases shall be included in total service only with respect to those service
5 purchases approved prior to June 30, 2012 and those applications for service purchases received
6 by the retirement system on or before June 30, 2012. In no event shall a member's retirement
7 allowance exceed seventy-five percent (75%) of the member's final compensation. Provided,
8 however, that every person elected prior to July 1, 2012 who has served as a part time elected
9 official of the city of Cranston for a period of ten (10) years, is entitled to receive, upon
10 retirement from that part time service, and not being otherwise regularly employed by the city of
11 Cranston in which that person has served, a service retirement allowance equivalent to fifty
12 percent (50%) of the salary received at the time of retirement by that part time elected official;
13 and, provided, further, that if that person retires after a period of service greater than ten (10)
14 years, the person is entitled to receive an additional service retirement allowance equivalent to
15 five percent (5%) of the salary received at the time of retirement for each whole year of service,
16 in excess of ten (10) years up to a maximum additional allowance equivalent to fifty percent
17 (50%) of the salary received.

18 (b) This section also applies to any former part time elected official of the city of
19 Cranston who is presently receiving retirement benefits from the municipal retirement system.

20 (c) Every person elected prior to July 1, 2012 who serves or has served at least four (4)
21 years as a part time elected official of the city of Cranston may include that person's years of
22 service as a member of the general assembly, and any other credits acquired while serving as a
23 legislator, when computing the person's period of service to the city of Cranston pursuant to the
24 provisions of this section.

25 SECTION 18. Section 45-21-41 of the General Laws in Chapter 45-21 entitled
26 "Retirement of Municipal Employees" is hereby amended to read as follows:

27 **45-21-41. Members' contributions -- Payroll deductions -- Certification to board. --**

28 (a) Prior to July 1, 2012, each member shall contribute an amount equal to six percent (6%) of
29 salary or compensation earned and accruing to the member; provided, that contributions by any
30 member cease when the member has completed the maximum amount of service credit attainable.
31 Special compensation for additional fees shall not be considered as compensation for contribution
32 purposes. Effective July 1, 2012, each member shall contribute an amount equal to one percent
33 (1%) of his or her compensation as his or her share of the cost. Effective July 1, 2015, each
34 member with twenty (20) or more years of total service as of June 30, 2012 shall contribute an

1 [amount equal to eight and one-quarter percent \(8.25%\) of compensation.](#)

2 (b) Each municipality shall deduct the previously stated rate from the compensation of
3 each member on each and every payroll of the municipality, and the deduction made during the
4 entire time a member is in service subject to termination as stated in the foregoing paragraph.

5 (c) The deductions provided for in this section shall be made notwithstanding that the
6 minimum compensation provided for by law for any member is reduced by the compensation.
7 Every member is deemed to consent and agree to the deductions made and provided for in this
8 section, and shall receipt for his or her full salary or compensation; and payment of salary or
9 compensation less those deductions are a full and complete discharge and acquittance of all
10 claims and demands for the services rendered by the person during the period covered by the
11 payment except as to the benefits provided under this chapter. Each participating municipality
12 shall certify to the retirement board the amounts deducted from the compensation of members.
13 Each of the amounts, when deducted, shall be credited to an individual account of the member
14 from whose compensation the deduction was made.

15 SECTION 19. Section 45-21-52 of the General Laws in Chapter 45-21 entitled
16 "Retirement of Municipal Employees" is hereby amended to read as follows:

17 **45-21-52. Automatic increase in service retirement allowance.** -- (a) The local
18 legislative bodies of the cities and towns may extend to their respective employees automatic
19 adjustment increases in their service retirement allowances, by a resolution accepting any of the
20 plans described in this section:

21 (1) Plan A. - All employees and beneficiaries of those employees receiving a service
22 retirement or disability retirement allowance under the provisions of this chapter on December 31
23 of the year their city or town accepts this section, receive a cost of living adjustment equal to one
24 and one-half percent (1 1/2%) per year of the original retirement allowance, not compounded, for
25 each calendar year the retirement allowance has been in effect. This cost of living adjustment is
26 added to the amount of the retirement allowance as of January 1 following acceptance of this
27 provision, and an additional one and one-half percent (1 1/2%) is added to the original retirement
28 allowance in each succeeding year during the month of January, and provided, further, that this
29 additional cost of living increase is three percent (3%) for the year beginning January 1 of the
30 year the plan is accepted and each succeeding year.

31 (2) Plan B. - All employees and beneficiaries of those employees receiving a retirement
32 allowance under the provisions of this chapter on December 31 of the year their municipality
33 accepts this section, receive a cost of living adjustment equal to three percent (3%) of their
34 original retirement allowance. This adjustment is added to the amount of the retirement allowance

1 as of January 1 following acceptance of this provision, and an additional three percent (3%) of the
2 original retirement allowance, not compounded, is payable in each succeeding year in the month
3 of January.

4 (3) Plan C. - All employees and beneficiaries of those employees who retire on or after
5 January 1 of the year following acceptance of this section, on the first day of January next
6 following the date of the retirement, receive a cost of living adjustment in an amount equal to
7 three percent (3%) of the original retirement allowance.

8 (b) In each succeeding year in the month of January, the retirement allowance is
9 increased an additional three percent (3%) of the original retirement allowance, not compounded.

10 (c) [This subsection \(c\) shall be effective for the period July 1, 2012 through June 30,](#)
11 [2015.](#)

12 (1) Notwithstanding any other paragraphs of this section, and subject to paragraph (c)(2)
13 below, for all present and former employees, active and retired members, and beneficiaries
14 receiving any retirement, disability or death allowance or benefit of any kind by reason of
15 adoption of this section by their employer, the annual benefit adjustment provided in any calendar
16 year under this section shall be equal to (A) multiplied by (B) where (A) is equal to the
17 percentage determined by subtracting five and one-half percent (5.5%) (the "subtrahend") from
18 the Five-Year Average Investment Return of the retirement system determined as of the last day
19 of the plan year preceding the calendar year in which the adjustment is granted, said percentage
20 not to exceed four percent (4%) and not to be less than zero percent (0%), and (B) is equal to the
21 lesser of the member's retirement allowance or the first twenty-five thousand dollars (\$25,000) of
22 retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be indexed annually
23 in the same percentage as determined under (c)(1)(A) above. The "Five-Year Average Investment
24 Return" shall mean the average of the investment returns of the most recent five (5) plan years as
25 determined by the retirement board. Subject to paragraph (c)(2) below, the benefit adjustment
26 provided by this paragraph shall commence upon the third (3rd) anniversary of the date of
27 retirement or the date on which the retiree reaches his or her Social Security retirement age,
28 whichever is later; or for municipal police and fire retiring under the provisions of chapter 45-
29 21.2, the benefit adjustment provided by this paragraph shall commence on the later of the third
30 (3rd) anniversary of the date of retirement or the date on which the retiree reaches age fifty-five
31 (55). In the event the retirement board adjusts the actuarially assumed rate of return for the
32 system, either upward or downward, the subtrahend shall be adjusted either upward or downward
33 in the same amount.

34 (2) Except as provided in paragraph (c)(3) the benefit adjustments provided under this

1 section for any plan year shall be suspended in their entirety for each municipal plan within the
2 municipal employees retirement system unless the municipal plan is determined to be funded at a
3 ~~GASB~~ Funded Ratio equal to or greater than eighty percent (80%) as of the end of the
4 immediately preceding plan year in accordance with the retirement system's actuarial valuation
5 report as prepared by the system's actuary, in which event the benefit adjustment will be
6 reinstated for all members for such plan year.

7 In determining whether a funding level under this paragraph (c)(2) has been achieved,
8 the actuary shall calculate the funding percentage after taking into account the reinstatement of
9 any current or future benefit adjustment provided under this section. ~~"GASB Funded Ratio" shall~~
10 ~~mean the ratio of the actuarial value of assets to the actuarial accrued liability.~~

11 (3) Notwithstanding paragraph (c)(2), for each municipal plan that has a ~~GASB~~ Funded
12 Ratio of less than eighty percent (80%) as of June 30, 2012, in each fifth plan year commencing
13 after June 30, 2012 commencing with the plan year ending June 30, 2017, and subsequently at
14 intervals of five (5) plan years, a benefit adjustment shall be calculated and made in accordance
15 with paragraph (c)(1) above until the municipal plan's ~~GASB~~ Funded Ratio exceeds eighty
16 percent (80%).

17 (d) This subsection (d) shall become effective July 1, 2015.

18 (1)(A) As soon as administratively reasonable following the enactment into law of this
19 subsection (d)(1)(A), a one-time benefit adjustment shall be provided to members and/or
20 beneficiaries of members who retired on or before June 30, 2012, in the amount of two percent
21 (2%) of the lesser of either the employee's retirement allowance or the first twenty-five thousand
22 dollars (\$25,000) of the member's retirement allowance. This one-time benefit adjustment shall
23 be provided without regard to the retiree's age or number of years since retirement.

24 (B) Notwithstanding the prior subsections of this section, for all present and former
25 employees, active and retired employees, and beneficiaries receiving any retirement, disability or
26 death allowance or benefit of any kind by reason of adoption of this section by their employer, the
27 annual benefit adjustment provided in any calendar year under this section for adjustments on and
28 after January 1, 2016, and subject to paragraph (d)(2) below, shall be equal to (I) multiplied by
29 (II):

30 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:
31 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
32 (the "subtrahend") from the five-year average investment return of the retirement system
33 determined as of the last day of the plan year preceding the calendar year in which the adjustment
34 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent

1 (0%). The "five-year average investment return" shall mean the average of the investment returns
2 of the most recent five (5) plan years as determined by the retirement board. In the event the
3 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
4 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

5 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
6 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
7 Statistics determined as of September 30 of the prior calendar year.

8 In no event shall the sum of (i) plus (ii) exceed three and one-half percent (3.5%) or be
9 less than zero percent (0%).

10 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-
11 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
12 to be indexed annually in the same percentage as determined under subsection (d)(1)(B)(I) above.

13 The benefit adjustments provided by this subsection (d)(1)(B) shall be provided to all
14 retirees entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect,
15 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
16 date of retirement or the date on which the retiree reaches his or her Social Security retirement
17 age, whichever is later; or for municipal police and fire retiring under the provisions of § 45-21.2-
18 5(b)(1)(A), the benefit adjustment provided by this paragraph shall commence on the later of the
19 third anniversary of the date of retirement or the date on which the retiree reaches age fifty-five
20 (55); or for municipal police and fire retiring under the provisions of § 45-21.2-5(b)(1)(B), the
21 benefit adjustment provided by this paragraph shall commence on the later of the third
22 anniversary of the date of retirement or the date on which the retiree reaches age fifty (50).

23 (2) Except as provided in subsection (d)(3), the benefit adjustments under subsection
24 (d)(1)(B) for any plan year shall be suspended in their entirety for each municipal plan within the
25 municipal employees retirement system unless the municipal plan is determined to be funded at a
26 funded ratio equal to or greater than eighty percent (80%) as of the end of the immediately
27 preceding plan year in accordance with the retirement system's actuarial valuation report as
28 prepared by the system's actuary, in which event the benefit adjustment will be reinstated for all
29 members for such plan year.

30 In determining whether a funding level under this subsection (d)(2) has been achieved,
31 the actuary shall calculate the funding percentage after taking into account the reinstatement of
32 any current or future benefit adjustment provided under this section.

33 (3) Notwithstanding subsection (d)(2), in each fourth plan year commencing after June
34 30, 2012 commencing with the plan year ending June 30, 2016, and subsequently at intervals of

1 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with
2 subsection (d)(1)(B) above; and (ii) Effective for members and/or beneficiaries of members who
3 retired on or before June 30, 2015, the dollar amount in subsection (d)(1)(B)(II) of twenty-five
4 thousand eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand
5 and twenty-six dollars (\$31,026) until the municipal plan's funded ratio exceeds eighty percent
6 (80%).

7 ~~(d)~~(e) Upon acceptance of any of the plans in this section, each employee shall on
8 January 1 next succeeding the acceptance, contribute by means of salary deductions, pursuant to §
9 45-21-41, one percent (1%) of the employee's compensation concurrently with and in addition to
10 contributions otherwise being made to the retirement system.

11 ~~(e)~~(f) The city or town shall make any additional contributions to the system, pursuant to
12 the terms of § 45-21-42, for the payment of any benefits provided by this section.

13 ~~(f)~~(g) The East Greenwich town council shall be allowed to accept Plan C of § 45-21-
14 52(a)(3) for all employees of the town of East Greenwich who either, pursuant to contract
15 negotiations, bargain for Plan C, or who are non-union employees who are provided with Plan C
16 and who shall all collectively be referred to as the "Municipal-COLA Group" and shall be
17 separate from all other employees of the town and school department, union or non-union, who
18 are in the same pension group but have not been granted Plan C benefits. Upon acceptance by the
19 town council, benefits in accordance with this section shall be available to all such employees
20 who retire on or after January 1, 2003.

21 (h) Effective for members and or beneficiaries of members who have retired on or before
22 July 1, 2015, and without regard to whether the retired member or beneficiary is receiving a
23 benefit adjustment under this § 45-21-52, a one-time stipend of five hundred dollars (\$500) shall
24 be payable within sixty (60) days following the enactment of the legislation implementing this
25 provision, and a second one-time stipend of five hundred dollars (\$500) in the same month of the
26 following year. These stipends shall not be considered cost of living adjustments under the prior
27 provisions of this § 45-21-52.

28 SECTION 20. Chapter 45-21 of the General Laws entitled "Retirement of Municipal
29 Employees" is hereby amended by adding thereto the following section:

30 **45-21-43.1. Actuarial cost method.** – (a) To determine the employer contribution rate
31 for any participating municipality, the actuary shall compute the costs under chapters 21 and 21.2
32 of title 45 using the entry age normal cost method.

33 (b) The determination of the employer contribution rate for fiscal year 2013 shall include
34 a re-amortization of the unfunded actuarial accrued liability (UAAL) over a closed twenty-five

1 (25) year period. After an initial period of five (5) years, future actuarial gains and losses
2 occurring within a plan year will be amortized over individual new twenty (20) year closed
3 periods.

4 (c) The determination of the employer contribution rate commencing with fiscal year
5 2017 shall include a re-amortization of the current unfunded actuarial accrued liability as of June
6 30, 2014 over a closed twenty-five (25) year period. Future actuarial gains and losses occurring
7 within a plan year will be amortized over individual new twenty (20) year closed periods.
8 Employers shall have the one-time option before August 1, 2015 to remain under the amortization
9 schedule set forth in subsection (b) above.

10 SECTION 21. Section 42-28-22 of the General Laws in Chapter 42-28 entitled "State
11 Police" is hereby amended to read as follows:

12 **42-28-22. Retirement of members.** -- (a) Whenever any member of the state police
13 hired prior to July 1, 2007 has served for twenty (20) years, he or she may retire therefrom or he
14 or she may be retired by the superintendent with the approval of the governor, and in either event
15 a sum equal to one-half (1/2) of the whole salary for the position from which he or she retired
16 determined on the date he or she receives his or her first retirement payment shall be paid him or
17 her during life.

18 (b) For purposes of this section, the term "whole salary" means:

19 (1) For each member who retired prior to July 1, 1966, "whole salary" means the base
20 salary for the position from which he or she retired as the base salary for that position was
21 determined on July 31, 1972;

22 (2) For each member who retired between July 1, 1966 and June 30, 1973, "whole
23 salary" means the base salary for the position from which he or she retired as the base salary,
24 implemented by the longevity increment, for that position was determined on July 31, 1972 or on
25 the date of his or her retirement, whichever is greater;

26 (3) For each member who retired or who retires after July 1, 1973 "whole salary" means
27 the base salary, implemented by the longevity increment, holiday pay, and clothing allowance, for
28 the position from which he or she retired or retires.

29 (c) (1) Any member who retired prior to July 1, 1977 shall receive a benefits payment
30 adjustment equal to three percent (3%) of his or her original retirement, as determined in
31 subsection (b) of this section, in addition to his or her original retirement allowance. In each
32 succeeding year thereafter during the month of January, the retirement allowance shall be
33 increased an additional three percent (3%) of the original retirement allowance, not compounded,
34 to be continued until January 1, 1991. For the purposes of the computation, credit shall be given

1 for a full calendar year regardless of the effective date of the service retirement allowance. For
2 purposes of this subsection, the benefits payment adjustment shall be computed from January 1,
3 1971 or the date of retirement, whichever is later in time.

4 (2) Any member of the state police who retires pursuant to the provisions of this chapter
5 on or after January 1, 1977, shall on the first day of January, next following the third anniversary
6 date of the retirement receive a benefits payment adjustment, in addition to his or her retirement
7 allowance, in an amount equal to three percent (3%) of the original retirement allowance. In each
8 succeeding year thereafter during the month of January, the retirement allowance shall be
9 increased an additional three percent (3%) of the original retirement allowance, not compounded,
10 to be continued until January 1, 1991. For the purposes of the computation, credit shall be given
11 for a full calendar year regardless of the effective date of the service retirement allowance.

12 (3) Any retired member of the state police who is receiving a benefit payment
13 adjustment pursuant to subdivisions (1) and (2) of this section shall beginning January 1, 1991
14 and ending June 30, 2012, receive a benefits payment adjustment equal to fifteen hundred dollars
15 (\$1,500).

16 (d) The benefits payment adjustment as provided in this section shall apply to and be in
17 addition to the retirement benefits under the provisions of § 42-28-5, and to the injury and death
18 benefits under the provisions of § 42-28-21.

19 (e) (1) Any member who retires after July 1, 1972 and is eligible to retire prior to July 1,
20 2012 and who has served beyond twenty (20) years shall be allowed an additional amount equal
21 to three percent (3%) for each completed year served after twenty (20) years, but in no event shall
22 the original retirement allowance exceed sixty-five percent (65%) of his or her whole salary as
23 defined in subsection (b) hereof or sixty-five percent (65%) of his or her salary as defined in
24 subsection (b) hereof in his or her twenty-fifth (25th) year whichever is less.

25 (2) Each member who retired prior to July 1, 1975, shall be entitled to all retirement
26 benefits as set forth above or shall be paid benefits as set forth in subdivision (b)(1) with "whole
27 salary" meaning the base salary for the position from which he or she retired as the base salary for
28 the position was determined on July 1, 1975, whichever is greater.

29 (f) (1) Any member who retires, has served as a member for twenty (20) years or more,
30 and who served for a period of six (6) months or more of active duty in the armed service of the
31 United States or in the merchant marine service of the United States as defined in § 2 of chapter
32 1721 of the Public Laws, 1946, may purchase credit for such service up to a maximum of two (2)
33 years; provided that any member who has served at least six (6) months or more in any one year
34 shall be allowed to purchase one year for such service and any member who has served a fraction

1 of less than six (6) months in his or her total service shall be allowed to purchase six (6) months'
2 credit for such service.

3 (2) The cost to purchase these credits shall be ten percent (10%) of the member's first
4 year salary as a state policeman multiplied by the number of years and/or fraction thereof of such
5 armed service up to a maximum of two (2) years. The purchase price shall be paid into the
6 general fund. For members hired on or after July 1, 1989, the purchase price shall be paid into a
7 restricted revenue account entitled "state police retirement benefits" and shall be held in trust.

8 (3) There will be no interest charge provided the member makes such purchase during
9 his or her twentieth (20th) year or within five (5) years from May 18, 1981, whichever is later,
10 but will be charged regular rate of interest as defined in § 36-8-1 as amended to date of purchase
11 from the date of his or her twentieth (20th) year of state service or five (5) years from May 18,
12 1981, whichever is later.

13 (4) Any member who is granted a leave of absence without pay for illness, injury or any
14 other reason may receive credit therefor by making the full actuarial cost as defined in
15 subdivision 36-8-1(10); provided the employee returns to state service for at least one year upon
16 completion of the leave.

17 (5) In no event shall the original retirement allowance exceed sixty-five percent (65%) of
18 his or her whole salary as defined in subsection (b) hereof or sixty-five percent (65%) of his or
19 her salary as defined in subsection (b) hereof in his or her twenty-fifth (25th) year, whichever is
20 less.

21 (6) Notwithstanding any other provision of law, no more than five (5) years of service
22 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
23 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years
24 of service credits before January 1, 1995, shall be permitted to apply those purchases towards the
25 member's service retirement. However, no further purchase will be permitted. Repayment in
26 accordance with applicable law and regulation of any contribution previously withdrawn from the
27 system shall not be deemed a purchase of service credit.

28 (g) The provisions of this section shall not apply to civilian employees in the Rhode
29 Island state police; and, further, from and after April 28, 1937, chapters 8 -- 10, inclusive, of title
30 36 shall not be construed to apply to the members of the Rhode Island state police, except as
31 provided by §§ 36-8-3, 36-10-1.1, 42-28-22.1, and 42-28-22.2, and section 36-8-1(5) and (8)(a)
32 effective July 1, 2012.

33 (h) Any member of the state police other than the superintendent of state police, who is
34 hired prior to July 1, 2007 and who has served for twenty-five (25) years or who has attained the

1 age of sixty-two (62) years, whichever shall first occur, shall retire therefrom.

2 (i) (1) Any member of the state police, other than the superintendent, who is hired on or
3 after July 1, 2007 and who has served for twenty-five (25) years, may retire therefrom or he or
4 she may be retired by the superintendent with the approval of the governor, and shall be entitled
5 to a retirement allowance of fifty percent (50%) of his or her "whole salary" as defined in
6 subsection (b) hereof.

7 (2) Any member of the state police who is hired on or after July 1, 2007 may serve up to
8 a maximum of thirty (30) years, and shall be allowed an additional amount equal to three percent
9 (3.0%) for each completed year served after twenty-five (25) years, but in no event shall the
10 original retirement allowance exceed sixty-five percent (65%) of his or her "whole salary" as
11 defined in subsection (b) hereof.

12 (j) Effective July 1, 2012, any other provision of this section notwithstanding:

13 (j) (1) Any member of the state police, other than the superintendent of state police, who
14 is not eligible to retire on or prior to June 30, 2012 may retire at any time subsequent to the date
15 the member's retirement allowance equals or exceeds fifty percent (50%) of average
16 compensation as defined in section 36-8-1(5)(a), provided that a member shall retire upon the
17 first to occur of:

18 (i) The date the member's retirement allowance equals sixty-five percent (65%); or

19 (ii) The later of the attainment of age sixty-two (62) or completion of five (5) years of
20 service; provided however, any current member as of June 30, 2012 who has not accrued fifty
21 percent (50%) upon attaining the age of sixty-two (62) shall retire upon accruing fifty percent
22 (50%); and upon retirement a member shall receive a retirement allowance which shall equal:

23 (A) For members hired prior to July 1, 2007 the sum of (i), (ii) and (iii) where

24 (i) Is calculated as the member's years of total service before July 1, 2012 multiplied by
25 two and one half percent (2.5%) of average compensation for a member's first twenty (20) total
26 years,

27 (ii) Is calculated as the member's years of total service before July 1, 2012 in excess of
28 twenty (20) years not to exceed twenty-five (25) years multiplied by three percent (3%) of
29 average compensation, and

30 (iii) Is the member's years of total service on or after July 1, 2012 multiplied by two
31 percent (2%) of average compensation as defined in § 36-8-1(5)(a).

32 (B) For members hired on or after July 1, 2007, the member's retirement allowance shall
33 be calculated as the member's years of total contributory service multiplied by two percent (2%)
34 of average compensation.

1 (C) Any member of the state police who is eligible to retire on or prior to June 30, 2012
2 shall retire with a retirement allowance calculated in accordance with paragraph (a) and (e) above
3 except that whole salary shall be defined as final compensation where compensation for purposes
4 of this section and § 42-28-22.1 includes base salary, longevity and holiday pay.

5 (D) Notwithstanding the preceding provisions, in no event shall a member's final
6 compensation be lower than his or her final compensation determined as of June 30, 2012.

7 (2) In no event shall a member's original retirement allowance under any provisions of
8 this section exceed sixty-five percent (65%) of his or her average compensation.

9 (3) For each member who retires on or after July 1, 2012, except as provided in
10 paragraph (j)(1)(C) above, compensation and average compensation shall be defined in
11 accordance with § 36-8-1(5)(a) and (8), provided that for a member whose regular work period
12 exceeds one hundred forty-seven (147) hours over a twenty-four (24) day period at any time
13 during the four (4) year period immediately prior to his/her retirement that member shall have up
14 to four hundred (400) hours of his/her pay for regularly scheduled work earned during this period
15 shall be included as "compensation" and/or "average compensation" for purposes of this section
16 and § 42-28-22.1.

17 (4) [This subsection \(4\) shall be effective for the period July 1, 2012 through June 30,](#)
18 [2015.](#)

19 (i) Notwithstanding the prior paragraphs of this section, and subject to paragraph (4)(ii)
20 below, for all present and former members, active and retired members, and beneficiaries
21 receiving any retirement, disability or death allowance or benefit of any kind, whether for or on
22 behalf of a non-contributory member or contributory member, the annual benefit adjustment
23 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)
24 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the
25 "subtrahend") from the Five-Year Average Investment Return of the retirement system
26 determined as of the last day of the plan year preceding the calendar year in which the adjustment
27 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
28 (0%), and (B) is equal to the lesser of the member's retirement allowance or the first twenty-five
29 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)
30 amount to be indexed annually in the same percentage as determined under (4)(i)(A) above. The
31 "Five-Year Average Investment Return" shall mean the average of the investment returns for the
32 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (4)(ii)
33 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd)
34 anniversary of the date of retirement or the date on which the retiree reaches age fifty-five (55),

1 whichever is later. In the event the retirement board adjusts the actuarially assumed rate of return
2 for the system, either upward or downward, the subtrahend shall be adjusted either upward or
3 downward in the same amount.

4 (ii) Except as provided in paragraph (4)(iii), the benefit adjustments under this section
5 for any plan year shall be suspended in their entirety unless the ~~GASB~~ Funded Ratio of the
6 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the
7 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,
8 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all
9 members for such plan year.

10 In determining whether a funding level under this paragraph (4)(ii) has been achieved,
11 the actuary shall calculate the funding percentage after taking into account the reinstatement of
12 any current or future benefit adjustment provided under this section. ~~"GASB Funded Ratio" shall~~
13 ~~mean the ratio of the actuarial value of assets to the actuarial accrued liability.~~

14 (iii) Notwithstanding paragraph (4)(ii), in each fifth plan year commencing after June 30,
15 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
16 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
17 (4)(i) above until the ~~GASB~~ Funded Ratio of the Employees' Retirement System of Rhode Island,
18 the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated
19 by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

20 (iv) The provisions of this paragraph (j)(4) of § 42-28-22 shall become effective July 1,
21 2012 and shall apply to any benefit adjustment not granted on or prior to June 30, 2012.

22 (v) The cost-of-living adjustment as provided in this paragraph (j)(4) shall apply to and
23 be in addition to the retirement benefits under the provisions of § 42-28-5 and to the injury and
24 death benefits under the provisions of § 42-28-21.

25 (5) This subsection (5) shall become effective July 1, 2015.

26 (i)(A) As soon as administratively reasonable following the enactment into law of this
27 paragraph (5)(i)(A), a one-time benefit adjustment shall be provided to members and/or
28 beneficiaries of members who retired on or before June 30, 2012, in the amount of two percent
29 (2%) of the lesser of either the member's retirement allowance or the first twenty-five thousand
30 dollars (\$25,000) of the member's retirement allowance. This one-time benefit adjustment shall
31 be provided without regard to the retiree's age or number of years since retirement.

32 (B) Notwithstanding the prior subsections of this section, for all present and former
33 members, active and retired members, and beneficiaries receiving any retirement, disability or
34 death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar

1 year under this section for adjustments on and after January 1, 2016, and subject to subsection
2 (5)(ii) below, shall be equal to (I) multiplied by (II):

3 (I) Shall equal the sum of fifty percent (50%) of (1) plus fifty percent (50%) of (2) where:

4 (1) Is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the
5 "subtrahend") from the five-year average investment return of the retirement system determined
6 as of the last day of the plan year preceding the calendar year in which the adjustment is granted,
7 said percentage not to exceed four percent (4%) and not to be less than zero percent (0%). The
8 "five-year average investment return" shall mean the average of the investment returns of the
9 most recent five (5) plan years as determined by the retirement board. In the event the retirement
10 board adjusts the actuarially assumed rate of return for the system, either upward or downward,
11 the subtrahend shall be adjusted either upward or downward in the same amount.

12 (2) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
13 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
14 Statistics determined as of September 30 of the prior calendar year.

15 In no event shall the sum of (1) plus (2) exceed three and one-half percent (3.5%) or be
16 less than zero percent (0%).

17 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-
18 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
19 to be indexed annually in the same percentage as determined under subsection (5)(i)(B)(I) above.
20 The benefit adjustments provided by this subsection (5)(i)(B) shall be provided to all retirees
21 entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect, and for
22 all other retirees the benefit adjustments shall commence upon the third anniversary of the date of
23 retirement or the date on which the retiree reaches his or her Social Security retirement age,
24 whichever is later.

25 (ii) Except as provided in subsection (5)(iii), the benefit adjustments under subsection
26 (5)(i)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
27 employees' retirement system of Rhode Island, the Judicial retirement benefits trust and the state
28 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
29 eighty percent (80%) in which event the benefit adjustment will be reinstated for all members for
30 such plan year.

31 In determining whether a funding level under this subsection (5)(ii) has been achieved,
32 the actuary shall calculate the funding percentage after taking into account the reinstatement of
33 any current or future benefit adjustment provided under this section.

34 (iii) Notwithstanding subsection (5)(ii), in each fourth plan year commencing after June

1 30, 2012 commencing with the plan year ending June 30, 2016, and subsequently at intervals of
2 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with
3 paragraph (5)(i)(B) above; and (ii) Effective for members and/or beneficiaries of members who
4 retired on or before June 30, 2015, the dollar amount in subsection (5)(i)(B)(II) of twenty-five
5 thousand eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand
6 and twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of
7 Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,
8 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

9 (iv) Effective for members and or beneficiaries of members who have retired on or before
10 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
11 days following the enactment of the legislation implementing this provision, and a second one-
12 time stipend of five hundred dollars (\$500) in the same month of the following year. These
13 stipends shall be payable to all retired members or beneficiaries receiving a benefit as of the
14 applicable payment date and shall not be considered cost of living adjustments under the prior
15 provisions of this § 42-28-22.

16 ~~(5)~~(6) Any member with contributory service on or after July 1, 2012, who has
17 completed at least five (5) years of contributory service but who has not retired in accordance
18 with (j)(1) above, shall be eligible to retire upon the attainment of member's Security retirement
19 age as defined in 36-8-1(19).

20 ~~(6)~~(7) In no event shall a member's retirement allowance be less than the member's
21 retirement allowance calculated as of June 30, 2012 based on the member's years of total service
22 and whole salary as of June 30, 2012.

23 (k) In calculating the retirement benefit for any member, the term base salary as used in
24 subdivision (b)(3) or average compensation as used in paragraph (j) shall not be affected by a
25 deferral of salary plan or a reduced salary plan implemented to avoid shutdowns or layoffs or to
26 effect cost savings. Basic salary shall remain for retirement calculation that which it would have
27 been but for the salary deferral or salary reduction due to a plan implemented to avoid shutdowns
28 or layoffs or to effect cost savings.

29 SECTION 22. Section 8-3-15 of the General Laws in Chapter 8-3 entitled "Justices of
30 Supreme, Superior, and Family Courts" is hereby amended to read as follows:

31 **8-3-15. Cost of living allowance.** -- (a) All justices of the supreme court, superior court,
32 family court, or district court, or their surviving spouses or domestic partners, who retire after
33 January 1, 1970 and who receive a retirement allowance pursuant to the provisions of this title
34 shall, on the first day of January next following the third anniversary date of retirement, receive a

1 cost-of-living retirement adjustment in addition to his or her retirement allowance in an amount
2 equal to three percent (3%) of the original retirement allowance. In each succeeding year
3 thereafter during the month of January, the retirement allowance shall be increased an additional
4 three percent (3%) of the original allowance, not compounded, to be continued during the lifetime
5 of the justice or his or her surviving spouse or domestic partner. For the purpose of such
6 computation, credit shall be given for a full calendar year regardless of the effective date of the
7 retirement allowance.

8 (b) Any justice who retired prior to January 31, 1977 shall be deemed for the purpose of
9 this section to have retired on January 1, 1977.

10 (c) For justices not eligible to retire as of September 30, 2009 and not eligible upon
11 passage of this article, and for their beneficiaries, the cost of living adjustment described in
12 subsection (3) above shall only apply to the first thirty-five thousand dollars (\$35,000) of
13 retirement allowance, indexed annually, and shall commence upon the third (3rd) anniversary of
14 the date of retirement or when the retiree reaches age sixty-five (65), whichever is later. The
15 thirty- five thousand dollar (\$35,000) limit shall increase annually by the percentage increase in
16 the Consumer Price Index for all Urban Consumer (CPI-U) as published by the United States
17 Department of Labor Statistics determined as of September 30 of the prior calendar year or three
18 percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed, of
19 retirement allowance shall be multiplied by the percentage of increase in the Consumer Price
20 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor
21 Statistics determined as of September 30 of the prior calendar year or three percent (3%),
22 whichever is less, on the month following the anniversary date of each succeeding year. For
23 justices eligible to retire as of September 30, 2009 or eligible upon passage of this article, and for
24 their beneficiaries, the provisions of this subsection (c) shall not apply.

25 (d) [This subsection \(d\) shall be effective for the period July 1, 2012 through June 30,](#)
26 [2015.](#)

27 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)(2)
28 below, for all present and former justices, active and retired justices, and beneficiaries receiving
29 any retirement, disability or death allowance or benefit of any kind, whether provided for or on
30 behalf of justices engaged on or prior to December 31, 1989 as a non-contributory justice or
31 engaged after December 31, 1989 as a contributory justice, the annual benefit adjustment
32 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)
33 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the
34 "subtrahend") from the Five-Year Average Investment Return of the retirement system

1 determined as of the last day of the plan year preceding the calendar year in which the adjustment
2 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
3 (0%), and (B) is equal to the lesser of the justice's retirement allowance or the first twenty-five
4 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)
5 amount to be indexed annually in the same percentage as determined under (d)(1)(A) above. The
6 "Five-Year Average Investment Return" shall mean the average of the investment return of the
7 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (d)(2)
8 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd)
9 anniversary of the date of retirement or the date on which the retiree reaches his or her Social
10 Security retirement age, whichever is later. In the event the retirement board adjusts the
11 actuarially assumed rate of return for the system, either upward or downward, the subtrahend
12 shall be adjusted either upward or downward in the same amount.

13 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for
14 any plan year shall be suspended in their entirety unless the ~~GASB~~ Funded Ratio of the
15 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the
16 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,
17 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all
18 justices for such plan year.

19 In determining whether a funding level under this paragraph (d)(2) has been achieved,
20 the actuary shall calculate the funding percentage after taking into account the reinstatement of
21 any current or future benefit adjustment provided under this section. ~~"GASB Funded Ratio" shall~~
22 ~~mean the ratio of the actuarial value of assets to the actuarial accrued liability.~~

23 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,
24 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
25 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
26 (d)(1) above until the ~~GASB~~ Funded Ratio of the Employees' Retirement System of Rhode
27 Island, the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust,
28 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%)

29 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
30 (d) of § 8-3-15 shall become effective July 1, 2012 and shall apply to any benefit adjustment not
31 granted on or prior to June 30, 2012.

32 [\(e\) This subsection \(e\) shall become effective July 1, 2015.](#)

33 [\(1\)\(A\) As soon as administratively reasonable following the enactment into law of this](#)
34 [subsection \(e\)\(1\)\(A\), a one-time benefit adjustment shall be provided to justices and/or](#)

1 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent
2 (2%) of the lesser of either the justice's retirement allowance or the first twenty-five thousand
3 dollars (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be
4 provided without regard to the retiree's age or number of years since retirement.

5 (B) Notwithstanding the prior subsections of this section, for all present and former
6 justices, active and retired justices, and beneficiaries receiving any retirement, disability or death
7 allowance or benefit of any kind, whether provided for or on behalf of justices engaged on or
8 prior to December 31, 1989 as a non-contributory justice or engaged after December 31, 1989 as
9 a contributory justice, the annual benefit adjustment provided in any calendar year under this
10 section for adjustments on and after January 1, 2016, and subject to subsection (e)(2) below, shall
11 be equal to (I) multiplied by (II):

12 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

13 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
14 (the "subtrahend") from the five-year average investment return of the retirement system
15 determined as of the last day of the plan year preceding the calendar year in which the adjustment
16 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
17 (0%). The "five-year average investment return" shall mean the average of the investment returns
18 of the most recent five (5) plan years as determined by the retirement board. In the event the
19 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
20 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

21 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
22 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
23 Statistics determined as of September 30 of the prior calendar year. In no event shall the sum of
24 (i) plus (ii) exceed three and one-half percent (3.5%) or be less than zero percent (0%).

25 (II) Is equal to the lesser of either the justice's retirement allowance or the first twenty-
26 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
27 to be indexed annually in the same percentage as determined under subsection (e)(1)(B)(I) above.

28 The benefit adjustments provided by this subsection (e)(1)(B) shall be provided to all
29 retirees entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect,
30 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
31 date of retirement or the date on which the retiree reaches his or her Social Security retirement
32 age, whichever is later.

33 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
34 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the

1 employees' retirement system of Rhode Island, the judicial retirement benefits trust and the state
2 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
3 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for
4 such plan year.

5 In determining whether a funding level under this subsection (e)(2) has been achieved,
6 the actuary shall calculate the funding percentage after taking into account the reinstatement of
7 any current or future benefit adjustment provided under this section.

8 (3) Notwithstanding subsection (e)(2), in each fourth plan year commencing after June
9 30, 2012 commencing with the plan year ending June 30, 2016, and subsequently at intervals of
10 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with
11 paragraph (e)(1)(B) above; and (ii) Effective for members and/or beneficiaries of members who
12 retired on or before June 30, 2015, the dollar amount in subsection (e)(1)(B)(II) of twenty-five
13 thousand eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand
14 and twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of
15 Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,
16 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

17 (A) Effective for members and or beneficiaries of members who have retired on or before
18 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
19 days following the enactment of the legislation implementing this provision, and a second one-
20 time stipend of five hundred dollars (\$500) in the same month of the following year. These
21 stipends shall be payable to all retired members or beneficiaries receiving a benefit as of the
22 applicable payment date and shall not be considered cost of living adjustments under the prior
23 provisions of this § 8-3-15.

24 SECTION 23. Section 8-8.2-12 of the General Laws in Chapter 8-8.2 entitled "Traffic
25 tribunal" is hereby amended to read as follows:

26 **8-8.2-12. Additional benefits payable to retired judges and their surviving spouses**
27 **or domestic partners. --** (a) All judges of the administrative adjudication court and all judges of
28 the administrative adjudication court who have been reassigned to the traffic tribunal, or their
29 surviving spouses or domestic partners, who retire after January 1, 1970 and who receive a
30 retirement allowance pursuant to the provisions of this title, shall, on the first day of January, next
31 following the third anniversary of the retirement, receive a cost of living retirement adjustment in
32 addition to his or her retirement allowance in an amount equal to three percent (3%) of the
33 original retirement allowance. In each succeeding year thereafter during the month of January, the
34 retirement allowance shall be increased an additional three percent (3%) of the original

1 allowance, compounded annually from the year cost of living adjustment was first payable to be
2 continued during the lifetime of the judge or his or her surviving spouse or domestic partner. For
3 the purpose of such computation, credit shall be given for a full calendar year regardless of the
4 effective date of the retirement allowance.

5 (b) Any judge who retired prior to January 31, 1980, shall be deemed for the purpose of
6 this section to have retired on January 1, 1980.

7 (c) For judges not eligible to retire as of September 30, 2009 and not eligible upon
8 passage of this article, and for their beneficiaries, the cost of living adjustment described in
9 subsection (a) above shall only apply to the first thirty-five thousand dollars (\$35,000) of
10 retirement allowance, indexed annually, and shall commence upon the third (3rd) anniversary of
11 the date of retirement or when the retiree reaches age sixty-five (65), whichever is later. The
12 thirty-five thousand dollar (\$35,000) limit shall increase annually by the percentage increase in
13 the Consumer Price Index for all Urban Consumer (CPI-U) as published by the United States
14 Department of Labor Statistics determined as of September 30 of the prior calendar year or three
15 percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed, of
16 retirement allowance shall be multiplied by the percentage of increase in the Consumer Price
17 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor
18 Statistics determined as of September 30 of the prior calendar year or three percent (3%),
19 whichever is less on the month following the anniversary date of each succeeding year. For
20 judges eligible to retire as of September 30, 2009 or eligible upon passage of this article, and for
21 their beneficiaries, the provisions of this subsection (c) shall not apply.

22 (d) [This subsection \(d\) shall be effective for the period July 1, 2012 through June 30,](#)
23 [2015.](#)

24 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)(2)
25 below, for all present and former justices, active and retired justices, and beneficiaries receiving
26 any retirement, disability or death allowance or benefit of any kind, whether provided for or on
27 behalf of justices engaged on or prior to December 31, 1989 as a non-contributory justice or
28 engaged after December 31, 1989 as a contributory justice, the annual benefit adjustment
29 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)
30 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the
31 "subtrahend") from the Five-Year Average Investment Return of the retirement system
32 determined as of the last day of the plan year preceding the calendar year in which the adjustment
33 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
34 (0%), and (B) is equal to the lesser of the justice's retirement allowance or the first twenty-five

1 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)
2 amount to be indexed annually in the same percentage as determined under (d)(1)(A) above. The
3 "Five-Year Average Investment Return" shall mean the average of the investment return of the
4 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (d)(2)
5 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd)
6 anniversary of the date of retirement or the date on which the retiree reaches his or her Social
7 Security retirement age, whichever is later. In the event the retirement board adjusts the
8 actuarially assumed rate of return for the system, either upward or downward, the subtrahend
9 shall be adjusted either upward or downward in the same amount.

10 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for
11 any plan year shall be suspended in their entirety unless the ~~GASB~~ Funded Ratio of the
12 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the
13 State Police Retirements Benefits Trust, calculated by the system's actuary on an aggregate basis,
14 exceeds eighty percent (80%) in which even the benefit adjustment will be reinstated for all
15 justices for such plan year.

16 In determining whether a funding level under this paragraph (d)(2) has been achieved,
17 the actuary shall calculate the funding percentage after taking into account the reinstatement of
18 any current or future benefit adjustment provided under this section. ~~"GASB Funded Ratio" shall~~
19 ~~mean the ratio of the actuarial value of assets to the actuarial accrued liability.~~

20 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,
21 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
22 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
23 (d)(1) above until the ~~GASB~~ Funded Ratio of the Employees' Retirement System of Rhode
24 Island, the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust,
25 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

26 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
27 (d) of § 8-8.2-12 shall become effective July 1, 2012 and shall apply to any benefit adjustment
28 not granted on or prior to June 30, 2012.

29 (e) This subsection (e) shall become effective July 1, 2015.
30 (1)(A) As soon as administratively reasonable following the enactment into law of this
31 subsection (e)(1)(A), a one-time benefit adjustment shall be provided to justices and/or
32 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent
33 (2%) of the lesser of either the justice's retirement allowance or the first twenty-five thousand
34 dollars (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be

1 provided without regard to the retiree's age or number of years since retirement.

2 (B) Notwithstanding the prior subsections of this section, for all present and former
3 justices, active and retired justices, and beneficiaries receiving any retirement, disability or death
4 allowance or benefit of any kind, whether provided for or on behalf of justices engaged on or
5 prior to December 31, 1989 as a non-contributory justice or engaged after December 31, 1989 as
6 a contributory justice, the annual benefit adjustment provided in any calendar year under this
7 section for adjustments on and after January 1, 2016, and subject to subsection (e)(2) below, shall
8 be equal to (I) multiplied by (II):

9 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

10 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
11 (the "subtrahend") from the five-year average investment return of the retirement system
12 determined as of the last day of the plan year preceding the calendar year in which the adjustment
13 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
14 (0%). The "five-year average investment return" shall mean the average of the investment returns
15 of the most recent five (5) plan years as determined by the retirement board. In the event the
16 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
17 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

18 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
19 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
20 Statistics determined as of September 30 of the prior calendar year.

21 In no event shall the sum of (i) plus (ii) exceed three and one-half percent (3.5%) or be
22 less than zero percent (0%).

23 (II) Is equal to the lesser of either the justice's retirement allowance or the first twenty-
24 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
25 to be indexed annually in the same percentage as determined under subsection (e)(1)(B)(I) above.

26 The benefit adjustments provided by this subsection (e)(1)(B) shall be provided to all
27 retirees entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect,
28 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
29 date of retirement or the date on which the retiree reaches his or her Social Security retirement
30 age, whichever is later.

31 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
32 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
33 employees' retirement system of Rhode Island, the judicial retirement benefits trust and the state
34 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds

1 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for
2 such plan year.

3 In determining whether a funding level under this subsection (e)(2) has been achieved,
4 the actuary shall calculate the funding percentage after taking into account the reinstatement of
5 any current or future benefit adjustment provided under this section.

6 (3) Notwithstanding subsection (e)(2), effective for members and/or beneficiaries of
7 members who retired on or before June 30, 2015, in each fourth plan year commencing after June
8 30, 2012 commencing with the plan year ending June 30, 2016, and subsequently at intervals of
9 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with
10 subsection (e)(1)(B) above; and (ii) The dollar amount in subsection (e)(1)(B)(II) of twenty-five
11 thousand eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand
12 and twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of
13 Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,
14 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

15 (A) Effective for members and or beneficiaries of members who have retired on or before
16 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
17 days following the enactment of the legislation implementing this provision, and a second one-
18 time stipend of five hundred dollars (\$500) in the same month of the following year. These
19 stipends shall be payable to all retired members or beneficiaries receiving a benefit as of the
20 applicable payment date and shall not be considered cost of living adjustments under the prior
21 provisions of this § 8-8.2-12.

22 SECTION 24. Section 28-30-18 of the General Laws in Chapter 28-30 entitled "Workers'
23 Compensation Court" is hereby amended to read as follows:

24 **28-30-18. Additional benefits payable to retired judges and their surviving spouses**
25 **or domestic partners.** -- (a) All judges of the workers' compensation court, or their surviving
26 spouses or domestic partners, who retire after January 1, 1970 and who receive a retirement
27 allowance pursuant to the provisions of this title, shall, on the first day of January next following
28 the third anniversary date of their retirement, receive a cost of living retirement adjustment in
29 addition to his or her retirement allowance in an amount equal to three percent (3%) of the
30 original retirement allowance. In each succeeding subsequent year during the month of January
31 the retirement allowance shall be increased an additional three percent (3%) of the original
32 allowance, compounded annually from the year the cost of living adjustment was first payable to
33 be continued during the lifetime of that judge or his or her surviving spouse or domestic partner.
34 For the purpose of that computation, credit shall be given for a full calendar year regardless of the

1 effective date of the retirement allowance.

2 (b) Any judge who retired prior to January 31, 1980, shall be deemed for the purpose of
3 this section to have retired on January 1, 1980.

4 (c) For judges not eligible to retire as of September 30, 2009 and not eligible upon
5 passage of this article, and for their beneficiaries, the cost of living adjustment described in
6 subsection (a) above shall only apply to the first thirty-five thousand dollars (\$35,000) of
7 retirement allowance, indexed annually, and shall commence upon the third (3rd) anniversary of
8 the date of retirement or when the retiree reaches age sixty-five (65), whichever is later. The
9 thirty-five thousand dollar (\$35,000) limit shall increase annually by the percentage increase in
10 the Consumer Price Index for all Urban Consumer (CPI-U) as published by the United States
11 Department of Labor Statistics determined as of September 30 of the prior calendar year or three
12 percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed, of
13 retirement allowance shall be multiplied by the percentage of increase in the Consumer Price
14 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor
15 Statistics determined as of September 30 of the prior calendar year or three percent (3%),
16 whichever is less on the month following the anniversary date of each succeeding year. For
17 judges eligible to retire as of September 30, 2009 or eligible upon passage of this article, and for
18 their beneficiaries, the provisions of this subsection (c) shall not apply.

19 (d) [This subsection \(d\) shall be effective for the period July 1, 2012 through June 30,](#)
20 [2015.](#)

21 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)(2)
22 below, for all present and former justices, active and retired justices, and beneficiaries receiving
23 any retirement, disability or death allowance or benefit of any kind, whether provided for or on
24 behalf of justices engaged on or prior to December 31, 1989 as a non-contributory justice or
25 engaged after December 31, 1989 as a contributory justice, the annual benefit adjustment
26 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)
27 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the
28 "subtrahend") from the Five-Year Average Investment Return of the retirement system
29 determined as of the last day of the plan year preceding the calendar year in which the adjustment
30 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
31 (0%), and (B) is equal to the lesser of the justice's retirement allowance or the first twenty-five
32 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)
33 amount to be indexed annually in the same percentage as determined under (d)(1)(A) above. The
34 "Five-Year Average Investment Return" shall mean the average of the investment return of the

1 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (d)(2)
2 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd)
3 anniversary of the date of retirement or the date on which the retiree reaches his or her Social
4 Security retirement age, whichever is later. In the event the retirement board adjusts the
5 actuarially assumed rate of return for the system, either upward or downward, the subtrahend
6 shall be adjusted either upward or downward in the same amount.

7 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for
8 any plan year shall be suspended in their entirety unless the **GASB** Funded Ratio of the
9 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the
10 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,
11 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all
12 justices for such plan year.

13 In determining whether a funding level under this paragraph (d)(2) has been achieved,
14 the actuary shall calculate the funding percentage after taking into account the reinstatement of
15 any current or future benefit adjustment provided under this section. ~~"GASB Funded Ratio" shall~~
16 ~~mean the ratio of the actuarial value of assets to the actuarial accrued liability.~~

17 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,
18 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
19 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
20 (d)(1) above until the **GASB** Funded Ratio of the Employees' Retirement System of Rhode
21 Island, the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust,
22 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

23 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
24 (d) of § 28-30-18 shall become effective July 1, 2012 and shall apply to any benefit adjustment
25 not granted on or prior to June 30, 2012.

26 (e) This subsection (e) shall become effective July 1, 2015.

27 (1)(A) As soon as administratively reasonable following the enactment into law of this
28 subsections (e)(1)(A), a one-time benefit adjustment shall be provided to justices and/or
29 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent
30 (2%) of the lesser of either the justice's retirement allowance or the first twenty-five thousand
31 dollars (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be
32 provided without regard to the retiree's age or number of years since retirement.

33 (B) Notwithstanding the prior subsections of this section, for all present and former
34 justices, active and retired justices, and beneficiaries receiving any retirement, disability or death

1 allowance or benefit of any kind, whether provided for or on behalf of justices engaged on or
2 prior to December 31, 1989 as a non-contributory justice or engaged after December 31, 1989 as
3 a contributory justice, the annual benefit adjustment provided in any calendar year under this
4 section for adjustments on and after January 1, 2016, and subject to subsection (e)(2) below, shall
5 be equal to (I) multiplied by (II):

6 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

7 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
8 (the "subtrahend") from the five-year average investment return of the retirement system
9 determined as of the last day of the plan year preceding the calendar year in which the adjustment
10 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
11 (0%). The "five-year average investment return" shall mean the average of the investment returns
12 of the most recent five (5) plan years as determined by the retirement board. In the event the
13 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
14 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

15 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
16 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
17 Statistics determined as of September 30 of the prior calendar year. In no event shall the sum of
18 (i) plus (ii) exceed three and one-half percent (3.5%) or be less than zero percent (0%).

19 (II) Is equal to the lesser of either the justice's retirement allowance or the first twenty-
20 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
21 to be indexed annually in the same percentage as determined under subsection (e)(1)(B)(I) above.

22 The benefit adjustments provided by this subsection (e)(1)(B) shall be provided to all
23 retirees entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect,
24 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
25 date of retirement or the date on which the retiree reaches his or her Social Security retirement
26 age, whichever is later.

27 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
28 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
29 employees' retirement system of Rhode Island, the judicial retirement benefits trust and the state
30 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
31 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for
32 such plan year.

33 In determining whether a funding level under this subsection (e)(2) has been achieved,
34 the actuary shall calculate the funding percentage after taking into account the reinstatement of

1 any current or future benefit adjustment provided under this section.

2 (3) Notwithstanding subsection (e)(2), in each fourth plan year commencing after June
3 30, 2012 commencing with the plan year ending June 30, 2016, and subsequently at intervals of
4 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with
5 subsection (e)(1)(B) above; and (ii) Effective for members and/or beneficiaries of members who
6 retired on or before June 30, 2015, the dollar amount in subsection (e)(1)(B)(II) of twenty-five
7 thousand eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand
8 and twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of
9 Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,
10 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

11 (4) Effective for members and or beneficiaries of members who have retired on or before
12 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
13 days following the enactment of the legislation implementing this provision, and a second one-
14 time stipend of five hundred dollars (\$500) in the same month of the following year. These
15 stipends shall be payable to all retired members or beneficiaries receiving a benefit as of the
16 applicable payment date and shall not be considered cost of living adjustments under the prior
17 provisions of this § 8-8.2-12.

18 SECTION 25. Section 45-21.2-5 of the General Laws in Chapter 45-21.2 entitled
19 "Optional Retirement for Members of Police Force and Fire Fighters" is hereby amended to read
20 as follows:

21 **45-21.2-5. Retirement on service allowance.** -- (a) Retirement of a member on a service
22 retirement allowance for members eligible to retire on or before June 30, 2012 shall be made,
23 subject to paragraph (a)(11) below, by the retirement board as follows:

24 (1) Any member who has attained or attains age seventy (70) shall be retired as stated in
25 § 45-21-16 subject to the discretions contained in that section; provided, that any member who is
26 a member of the Woonsocket fire department who has attained or attains an age of sixty-five (65)
27 years shall be retired. Retirement occurs on the first day of the next succeeding calendar month in
28 which the member has attained the age of sixty-five (65) years.

29 (2) Any member may retire pursuant to this subdivision upon written application to the
30 board stating at what time the member desires to retire; provided, that the member at the specified
31 time for retirement has attained an age of fifty-five (55) years and has completed at least ten (10)
32 years of total service, and notwithstanding that the member may have separated from service.

33 (3) Any member may retire pursuant to this subdivision upon written application to the
34 board stating at what time the member desires to retire; provided, that the member at the specified

1 time for retirement has completed at least twenty-five (25) years of total service, and
2 notwithstanding that the member may have separated from service.

3 (4) Any member may retire pursuant to this subdivision upon written application to the
4 board stating at what time the member desires to retire; provided, that the member at the specified
5 time for retirement has attained an age of fifty (50) years and has completed at least twenty (20)
6 years of total service, notwithstanding that the member may have separated from service;
7 provided, that the service retirement allowance, as determined according to the formula provided
8 in § 45-21.2-6, is reduced one-half of one percent (1/2%) for each month that the age of the
9 member is less than fifty-five (55) years.

10 (5) Any member of the South Kingstown police department may retire pursuant to this
11 subdivision upon written application to the board stating at what time the member desires to
12 retire; provided, that the member at the specified time for retirement has earned a service
13 retirement allowance of fifty percent (50%) of final compensation pursuant to § 45-21.2-6.1.

14 (6) Any member of the Johnston police department may retire pursuant to this
15 subdivision upon written application to the board stating at what time the member desires to
16 retire; provided, that the member at the specified time for retirement has earned a service
17 retirement allowance of fifty percent (50%) of final compensation pursuant to § 45-21.2-6.2.

18 (7) Any member of the Cranston fire department hired after July 1, 1995, or any member
19 of the Cranston fire department with five (5) years or less of service effective July 1, 1995, may
20 retire pursuant to this subdivision upon written application to the board stating at what time the
21 member desires to retire; provided, that the member at the specified time for retirement has
22 earned a service retirement allowance of fifty percent (50%) of final compensation for at least
23 twenty (20) years service; final compensation for Cranston fire department members is based on
24 the compensation components of weekly salary, longevity and holidays with longevity of the
25 members highest year of earnings and members shall receive a three percent (3%) escalation of
26 their pension payment compounded each year on January 1st following the year of retirement and
27 continuing on an annual basis on that date; further, any illness or injury not covered in title 45 of
28 the general laws relating to the presumption of disability is governed by the collective bargaining
29 agreement between the City of Cranston and members of the Cranston fire department.

30 (8) Any member of the Cranston police department hired after July 1, 1995, or any
31 member of the Cranston police department with five (5) years or less of service effective July 1,
32 1995, may retire pursuant to this subdivision upon written application to the board stating at what
33 time the member desires to retire; provided, that the member at the specified time for retirement
34 has earned a service retirement allowance of fifty percent (50%) of final compensation for at least

1 twenty (20) years service; final compensation for Cranston police department members is based
2 on the compensation components of weekly salary, longevity and holidays with longevity of the
3 members highest year of earnings and members shall receive a three percent (3%) escalation of
4 their pension payment compounded each year on January 1st following the year of retirement and
5 continuing on an annual basis on that date; further, any illness or injury not covered in title 45 of
6 the general laws relating to the presumption of disability is governed by the collective bargaining
7 agreement between the City of Cranston and members of the Cranston police department.

8 (9) Any member of the Hopkinton police department may retire pursuant to this
9 subdivision upon written application to the board stating at what time the member desires to
10 retire; provided, that the member at the specified time for retirement has earned a service
11 retirement allowance of fifty percent (50%) of final compensation for at least twenty (20) years
12 service; final compensation for Hopkinton police department members is based on the
13 compensation components of weekly salary, longevity and holidays with longevity of the
14 members highest year of earnings and members shall receive a three percent (3%) escalation of
15 their pension payment compounded each year on January 1st following the year of retirement and
16 continuing on an annual basis on that date.

17 (10) Any member of the Richmond police department may retire pursuant to this
18 subdivision upon written application to the board stating at what time the member desires to
19 retire; provided, that the member at the specified time for retirement has earned a service
20 retirement allowance of fifty percent (50%) of final compensation for at least twenty-two (22)
21 years' service pursuant to § 45-21.2-6.3.

22 (11) Notwithstanding any provision in this section to the contrary, for any service on or
23 after July 1, 2012, final compensation shall be defined in accordance with § 45-21.2-2, and no
24 benefit adjustments shall be provided except as set forth in subsection 45-21-52(c).

25 (12) Notwithstanding any provisions of this section to the contrary, with respect to police
26 officers employed by the town of Johnston, only those police officers hired on or after July 1,
27 2010 shall be eligible to be members of the Municipal Employees' Retirement System of the state
28 of Rhode Island in accordance with this chapter.

29 (b) Retirement of a member on a service retirement allowance eligible to retire on and
30 after July 1, 2012 shall be made by the retirement board as follows:

31 (1) Any member may retire pursuant to this subdivision upon written application to the
32 board stating at what time the member desires to retire; provided, that the member at the specified
33 time for retirement attained the age of at least fifty-five (55) years and has completed at least
34 twenty-five (25) years of total service, and notwithstanding that the member may have separated

1 from service; or

2 (2) Effective July 1, 2015, the member makes contributions to the plan effective July 1,
3 2015 in accordance with § 45-21.2-14, and (i) The member at the specified time for retirement
4 attained the age of at least fifty (50) years and has completed at least twenty-five (25) years of
5 total service; or (ii) The member has completed at least twenty-seven (27) years of total service
6 regardless of the member's attained age, and notwithstanding that the member may have
7 separated from service.

8 ~~(2)~~(3) Any member with contributory service on or after July 1, 2012, who has
9 completed at least five (5) years of contributory service but who has not completed twenty-five
10 (25) years of service, shall be eligible to retire upon the attainment of the member's Social
11 Security retirement age.

12 ~~(3)~~(4) If a member had ten (10) or more years of contributory service and attained age
13 forty-five (45) prior to July 1, 2012 and would have been eligible to retire at or prior to age fifty-
14 two (52) in accordance with the rules in effect prior to July 1, 2012, the member may retire upon
15 attainment of age fifty-two (52).

16 ~~(4)~~(5) Effective July 1, 2015, a ~~A~~ member who has completed twenty (20) or more years
17 of total service who has attained an age within five (5) years of the eligible retirement age under
18 subparagraphs (b)(1) or (b)(2) or (b)(3) or (b)(4) above, may elect to retire provided that the
19 retirement allowance shall be reduced actuarially for each month that the age of the member is
20 less than the eligible retirement age under subparagraphs (b)(1) or (b)(2) or (b)(3) or (b)(4) above
21 in accordance with the following table:

<u>Year Preceding Retirement</u>	<u>Cumulative Annual Reduction</u>	<u>Cumulative Monthly Reduction</u>
<u>For Year 1</u>	<u>9%</u>	<u>.75%</u>
<u>For Year 2</u>	<u>8%</u>	<u>.667%</u>
<u>For Year 3</u>	<u>7%</u>	<u>.583%</u>
<u>For Year 4</u>	<u>7%</u>	<u>.583%</u>
<u>For Year 5</u>	<u>7%</u>	<u>.583%.</u>

28 ~~(5)~~(6) Notwithstanding any other provisions of this section, a member on June 30, 2012,
29 may elect to retire at his or her eligible retirement date as determined under the rules in effect on
30 June 30, 2012 provided that a member making an election under this paragraph shall receive the
31 member's retirement benefit determined and calculated based on the member's service and final
32 compensation as of June 30, 2012. This provision shall be interpreted and administered in a
33 manner to protect a member's accrued benefit on June 30, 2012.

34 SECTION 26. Section 45-21.2-6 of the General Laws in Chapter 45-21.2 entitled

1 "Optional Retirement for Members of Police Force and Fire Fighters" is hereby amended to read
2 as follows:

3 **45-21.2-6. Service retirement allowance.** -- (a) Upon retirement from service pursuant
4 to § 45-21.2-5, a member receives a retirement allowance which is a life annuity terminable at the
5 death of the annuitant and shall be an amount equal to two percent (2%) of final compensation
6 multiplied by the years of total service, provided that a member who retires upon the attainment
7 of age of fifty-seven (57) years and has completed at least thirty (30) years of total service shall
8 receive a retirement allowance which is a life annuity terminable at the death of the annuitant and
9 shall be an amount equal to the greater of: (i) Two and one quarter percent (2.25%) of final
10 compensation multiplied by total years of service; or (ii) The member's accrued benefit
11 determined as of June 30, 2012 plus two and one quarter percent (2.25%) of final compensation
12 multiplied by member's years of service after June 30, 2012; provided further that the life annuity
13 under this subsection (a) shall not ~~but not to~~ exceed seventy-five percent (75%) of final
14 compensation.

15 (b) Upon retirement, the member may elect to receive the actuarial equivalent of his or
16 her retirement allowance in a lesser retirement allowance as determined by actuarial calculation,
17 which is payable throughout life with the provision that:

18 (1) Option 1. - A reduced retirement allowance payable during the member's life with the
19 provisions that after his or her death it shall continue during the life of and be paid to the person
20 that he or she nominated by written designation duly acknowledged and filed with the retirement
21 board at the time of retirement; or

22 (2) Option 2. - A reduced retirement allowance payable during the member's life with the
23 provision that after his or her death an allowance equal to one-half (1/2) of his or her reduced
24 allowance shall continue during the life of and be paid to the person that he or she nominated by
25 written designation duly acknowledged and filed with the board at the time of retirement.

26 (c) If prior to July 1, 2012, a member elected an optional form of benefit other than a life
27 annuity in accordance with paragraph (b)(1) or (2) above, the member may elect to change his or
28 her form of benefit to a life annuity by filing an election with the retirement board on or before
29 June 30, 2013 provided that the member's beneficiary is still alive at the time the election is filed.

30 SECTION 27. Section 45-21.2-14 of the General Laws in Chapter 45-21.2 entitled
31 "Optional Retirement for Members of Police Force and Fire Fighters" is hereby amended to read
32 as follows:

33 **45-21.2-14. Contributions.** -- (a) Each member shall contribute an amount equal to
34 seven percent (7%) of the salary or compensation earned or accruing to the member provided that

1 effective July 1, 2015 each member shall contribute an amount equal to nine percent (9%) of the
2 salary or compensation earned or accruing to the member. Special compensation or additional
3 fees shall not be considered as compensation for contribution purposes.

4 (b) Deductions are made in accordance with § 45-21-14 and credited in accordance with
5 § 45-21-43.

6 (c) Each municipality shall make contributions to the system to provide the remainder of
7 the obligation for retirement allowances, annuities, and other benefits provided in this section,
8 after applying the accumulated contribution of members, interest income on investments, and
9 other accrued income. The contribution shall be compiled in accordance with §§ 45-21-42 -- 45-
10 21-44, except that contributions for the first five (5) years of the system shall likewise be
11 determined by the board.

12 (d) Provided, that members of the South Kingstown police department, beginning July 1,
13 1985 and until June 30, 2012, contribute an amount equal to eight percent (8%) of salary or
14 compensation or additional fees are not considered as compensation for retirement purposes. For
15 service on and after July 1, 2012, a member of the South Kingstown police department shall make
16 contributions in accordance with paragraph (a) above.

17 (e) Provided, further, that for service on or prior to June 30, 2012, members of the City
18 of Cranston fire department hired after July 1, 1995, beginning July 1, 1995, contribute an
19 amount equal to ten percent (10%) of their weekly salary; and those members of the City of
20 Cranston fire department with five (5) years or less of service effective July 1, 1995, have the
21 option to either remain in the City of Cranston pension plan to which they belonged prior to the
22 adoption of local ordinance by the Cranston city council as stated in § 45-21.2-22 or contribute to
23 the State of Rhode Island optional twenty (20) year retirement on service allowance an amount
24 equal to ten percent (10%) of their weekly salary commencing July 1, 1995. The City of Cranston
25 may request and the retirement board may authorize additional members of the City of Cranston
26 fire department hired after July 1, 1987, the option to either remain in the City of Cranston
27 pension plan to which they belonged prior to the adoption of local ordinance by the Cranston city
28 council as stated in § 45-21.2-22 or contribute to the State of Rhode Island optional twenty (20)
29 year retirement on service allowance an amount equal to ten percent (10%) of their weekly salary
30 beginning on a date specified by the retirement board. For service on and after July 1, 2012, a
31 member of the City of Cranston fire department shall make contributions in accordance with
32 paragraph (a) above and a member's benefit shall be calculated in accordance with subsection 45-
33 21.2-22(b).

34 (f) Further, provided, that for service on and prior to June 30, 2012, members of the City

1 of Cranston police department hired after July 1, 1995, beginning July 1, 1995, contribute an
2 amount equal to ten percent (10%) of their weekly salary; and those members of the City of
3 Cranston police department with five (5) years or less of service effective July 1, 1995, have the
4 option to either remain in the City of Cranston pension plan to which they belonged prior to the
5 adoption of local ordinance by the Cranston city council as stated in § 45-21.2-22 or contribute to
6 the State of Rhode Island optional twenty (20) year retirement on service allowance an amount
7 equal to ten percent (10%) of their weekly salary commencing July 1, 1995. The City of Cranston
8 may request and the retirement board may authorize additional members of the City of Cranston
9 police department hired after July 1, 1987, the option to either remain in the City of Cranston
10 pension plan to which they belonged prior to the adoption of local ordinance by the Cranston city
11 council as stated in § 45-21.2-22 or contribute to the State of Rhode Island optional twenty (20)
12 year retirement on service allowance an amount equal to ten percent (10%) of their weekly salary
13 beginning on a date specified by the retirement board. For service on and after July 1, 2012, a
14 member of the City of Cranston police department shall make contributions in accordance with
15 paragraph (a) above and a member's benefit shall be calculated in accordance with subsection 45-
16 21.2-22(b).

17 SECTION 28. This article shall take effect upon passage.

1

ARTICLE 22

2

RELATING TO EFFECTIVE DATE

3

SECTION 1. This act shall take effect as of July 1, 2015, except as otherwise provided

4

herein.

5

SECTION 2. This article shall take effect upon passage.