

2016 -- H 7454

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL
YEAR ENDING JUNE 30, 2017

Introduced By: Representative Marvin L. Abney

Date Introduced: February 03, 2016

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2017
- 2 ARTICLE 2 RELATING TO PUBLIC FINANCE MANAGEMENT BOARD
- 3 ARTICLE 3 RELATING TO PUBLIC OFFICERS AND EMPLOYEES
- 4 ARTICLE 4 RELATING TO GOVERNMENT ORGANIZATION
- 5 ARTICLE 5 RELATING TO CAPITAL DEVELOPMENT PROGRAM
- 6 ARTICLE 6 RELATING TO DEBT MANAGEMENT ACT RESOLUTION
- 7 ARTICLE 7 RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION
- 8 ARTICLE 8 RELATING TO LICENSING OF HOSPITAL FACILITIES
- 9 ARTICLE 9 RELATING TO MEDICAL ASSISTANCE AND UNCOMPENSATED CARE
- 10 ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF
- 11 FY 2016
- 12 ARTICLE 11 STRENGTHENING NEIGHBORHOOD SCHOOLS
- 13 ARTICLE 12 RELATING TO REVENUE – CIGARETTE TAXES
- 14 ARTICLE 13 MAKING WORK PAY
- 15 ARTICLE 14 RELATING TO CAREGIVERS/COMPASSION CENTERS
- 16 ARTICLE 15 RELATING TO MUNICIPALITIES
- 17 ARTICLE 16 MAKING IT EASIER TO DO BUSINESS IN RHODE ISLAND
- 18 ARTICLE 17 RELATING TO COMMERCE

- 1 ARTICLE 18 RELATING TO RENEWABLE ENERGY PROGRAMS
- 2 ARTICLE 19 RELATING TO DIVISION OF MOTOR VEHICLES
- 3 ARTICLE 20 RELATING TO LOCAL AGRICULTURE AND SEAFOOD ACT
- 4 ARTICLE 21 RELATING TO BEHAVIORAL HEALTHCARE, DEVELOPMENTAL
- 5 DISABILITIES AND HOSPITALS
- 6 ARTICLE 22 RELATING TO STATE BUDGET
- 7 ARTICLE 23 RELATING TO SAFE HARBOR FOR SEXUALLY EXPLOITED CHILDREN
- 8 ARTICLE 24 RELATING TO RESTRICTED RECEIPT ACCOUNTS
- 9 ARTICLE 25 RELATING TO EFFECTIVE DATE

1 **ARTICLE 1**

2 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2017

3 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained
4 in this act, the following general revenue amounts are hereby appropriated out of any money in
5 the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,
6 2017. The amounts identified for federal funds and restricted receipts shall be made available
7 pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the
8 purposes and functions hereinafter mentioned, the state controller is hereby authorized and
9 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
10 portions thereof as may be required from time to time upon receipt by him or her of properly
11 authenticated vouchers.

12 **Administration**

13 *Central Management*

14	General Revenues	2,789,779
15	Total – Central Management	2,789,779

16 *Legal Services*

17	General Revenues	2,185,988
18	Total – Legal Services	2,185,988

19 *Accounts and Control*

20	General Revenues	4,147,433
21	Total – Accounts and Control	4,147,433

22 *Office of Management and Budget*

23	General Revenues	9,599,520
24	Restricted Receipts	300,000
25	Other Funds	1,279,090
26	Total – Office of Management and Budget	11,178,610

27 *Purchasing*

28	General Revenues	2,948,708
29	Other Funds	232,640
30	Total – Purchasing	3,181,348

31 *Human Resources*

32	General Revenues	8,083,906
33	Federal Funds	784,618
34	Restricted Receipts	487,070

1	Other Funds	1,486,706
2	Total – Human Resources	10,842,300
3	<i>Personnel Appeal Board</i>	
4	General Revenues	133,419
5	Total – Personnel Appeal Board	133,419
6	<i>Information Technology</i>	
7	General Revenues	22,244,406
8	Federal Funds	6,778,053
9	Restricted Receipts	9,903,237
10	Other Funds	2,771,449
11	Total – Information Technology	41,697,145
12	<i>Library and Information Services</i>	
13	General Revenues	1,342,819
14	Federal Funds	1,200,253
15	Restricted Receipts	28
16	Total – Library and Information Services	2,543,100
17	<i>Planning</i>	
18	General Revenues	1,341,758
19	Federal Funds	1,014,317
20	Other Funds	
21	Air Quality Modeling	24,000
22	Federal Highway – PL Systems Planning	2,974,750
23	Total Other Funds	2,998,750
24	Total – Planning	5,354,825
25	<i>General</i>	
26	General Revenues	
27	Miscellaneous Grants/Payments	146,049
28	Torts – Courts/Awards	400,000
29	State Employees/Teachers Retiree Health Subsidy	2,321,057
30	Resource Sharing and State Library Aid	8,462,072
31	Library Construction Aid	2,223,220
32	Parental Leave	750,000
33	General Revenues Total	14,302,398
34	Restricted Receipts	421,500

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Statehouse Renovations	550,000
4	DoIT Enterprise Operations Center	500,000
5	Cranston Street Armory	350,000
6	Cannon Building	400,000
7	Pastore Center Rehab DOA Portion	7,715,000
8	Zambarano Building Rehabilitation	3,000,000
9	Pastore Master Plan	475,500
10	Old State House	500,000
11	State Office Building	1,500,000
12	Old Colony House	100,000
13	William Powers Building	1,500,000
14	Pastore Center Utility Systems Upgrade	2,500,000
15	Replacement of Fueling Tanks	400,000
16	Environmental Compliance	200,000
17	Big River Management Area	100,000
18	Washington County Government Center	500,000
19	Veterans Memorial Auditorium	245,000
20	Chapin Health Laboratory	2,000,000
21	Pastore Center Parking	1,330,000
22	Pastore Center Water Tanks	380,000
23	RI Convention Center Authority	1,000,000
24	Dunkin Donuts Center	2,787,500
25	Pastore Power Plant Rehabilitation	640,000
26	Virks Building Renovations	13,375,000
27	Accessibility – Facility Renovations	1,000,000
28	Other Funds Total	43,048,000
29	Total – General	57,771,898

30 *Debt Service Payments*

31	General Revenues	133,293,966
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32 Out of the general revenue appropriations for debt service, the General Treasurer is
33 authorized to make payments for the I-195 Redevelopment District Commission loan up to the
34 maximum debt service due in accordance with the loan agreement.

1	Federal Funds	2,235,315
2	Restricted Receipts	111,453
3	Other Funds	
4	COPS – DLT Building - TDI	127,677
5	Transportation Debt Service	45,942,881
6	Investment Receipts – Bond Funds	100,000
7	Other Funds Total	46,170,558
8	Total - Debt Service Payments	181,811,292
9	<i>Energy Resources</i>	
10	Federal Funds	397,040
11	Restricted Receipts	14,295,288
12	Total – Energy Resources	14,692,328
13	<i>Rhode Island Health Exchange</i>	
14	General Revenue	2,625,841
15	Federal Funds	1,177,039
16	Restricted Receipts	8,580,747
17	Total – Rhode Island Health Exchange	12,383,627
18	<i>Construction Permitting, Approvals and Licensing</i>	
19	General Revenues	1,823,455
20	Restricted Receipts	1,440,520
21	Total –Approvals and Licensing	3,263,975
22	<i>Office of Diversity, Equity & Opportunity</i>	
23	General Revenues	1,294,640
24	Other Funds	92,993
25	Total – Office of Diversity, Equity & Opportunity	1,387,633
26	<i>Capital Asset Management and Maintenance</i>	
27	General Revenues	34,967,016
28	Federal Funds	1,310,071
29	Restricted Receipts	443,424
30	Other Funds	5,725,883
31	Total – Capital Asset Management and Maintenance	42,446,394
32	<i>Personnel and Operational Reforms</i>	
33	General Revenues	(116,421)
34	Total- Personnel and Operational Reforms	(116,421)

1	Grand Total – General Revenues	243,008,631
2	Grand Total – Administration	397,694,673
3	Business Regulation	
4	<i>Central Management</i>	
5	General Revenues	1,405,909
6	Total – Central Management	1,405,909
7	<i>Banking Regulation</i>	
8	General Revenues	1,846,123
9	Restricted Receipts	50,000
10	Total – Banking Regulation	1,896,123
11	<i>Securities Regulation</i>	
12	General Revenues	1,092,753
13	Restricted Receipts	15,000
14	Total – Securities Regulation	1,107,753
15	<i>Insurance Regulation</i>	
16	General Revenues	4,007,219
17	Restricted Receipts	1,792,566
18	Total – Insurance Regulation	5,799,785
19	<i>Office of the Health Insurance Commissioner</i>	
20	General Revenues	2,181,363
21	Federal Funds	1,100,710
22	Restricted Receipts	11,500
23	Total – Office of the Health Insurance Commissioner	3,293,573
24	<i>Board of Accountancy</i>	
25	General Revenues	6,000
26	Total – Board of Accountancy	6,000
27	Commercial Licensing, Racing & Athletics	
28	General Revenues	1,938,207
29	Restricted Receipts	1,285,103
30	Total – Commercial Licensing, Racing & Athletics	3,223,310
31	<i>Boards for Design Professionals</i>	
32	General Revenues	273,080
33	Total – Boards for Design Professionals	273,080
34	Grand Total – General Revenues Funds	12,750,654

1	Grand Total – Business Regulation	17,005,533
2	Executive Office of Commerce	
3	<i>Central Management</i>	
4	General Revenues	1,200,198
5	Total – Central Management	1,200,198
6	<i>Housing and Community Development</i>	
7	General Revenues	617,205
8	Federal Funds	15,290,927
9	Restricted Receipts	4,750,000
10	Total – Housing and Community Development	20,658,132
11	<i>Quasi–Public Appropriations</i>	
12	General Revenues	
13	Rhode Island Commerce Corporation	7,536,126
14	Rhode Island Commerce Corporation – Legislative Grants	589,492
15	Airport Impact Aid	1,025,000
16	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
17	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of	
18	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent	
19	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the	
20	calendar year 2016 at North Central Airport, Newport-Middletown Airport, Block Island Airport,	
21	Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island	
22	Commerce Corporation shall make an impact payment to the towns or cities in which the airport	
23	is located based on this calculation. Each community upon which any parts of the above airports	
24	are located shall receive at least \$25,000.	
25	STAC Research Alliance	1,150,000
26	Innovative Matching Grants/Internships	1,000,000
27	I-195 Redevelopment District Commission	872,200
28	Chafee Center at Bryant	376,200
29	RI College and University Research Collaborative	165,000
30	General Revenues Total	12,714,018
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	I-195 Commission	300,000
34	Other Funds Total	300,000

1	Total – Quasi–Public Appropriations	13,014,018
2	<i>Economic Development Initiatives Fund</i>	
3	General Revenues	
4	Rhody Pass	1,500,000
5	Competitive Cluster Grants	1,250,000
6	Affordable Housing Fund	1,000,000
7	Main Street RI Streetscape Improvements	1,000,000
8	Rebuild RI	20,600,000
9	First Wave Closing Fund	5,000,000
10	Impact Faculty Refinancing	1,500,000
11	P-tech	1,400,000
12	Innovation Vouchers	1,500,000
13	Building and Fire Permit Initiative	250,000
14	General Revenues Total	35,000,000
15	Total – Economic Development Initiatives Fund	35,000,000
16	<i>Commerce Programs</i>	
17	General Revenues	13,750,000
18	Total – Commerce Programs	13,750,000
19	Grand Total – General Revenues	63,281,421
20	Grand Total – Executive Office of Commerce	83,622,348
21	Labor and Training	
22	<i>Central Management</i>	
23	General Revenues	120,134
24	Restricted Receipts	529,314
25	Other Funds	
26	Rhode Island Capital Plan Funds Asset Protection	1,905,000
27	Other Funds Total	1,905,000
28	Total – Central Management	2,554,448
29	<i>Workforce Development Services</i>	
30	General Revenues	2,704,517
31	Federal Funds	24,185,279
32	Other Funds	104,042
33	Restricted Receipts	12,211,881
34	Total – Workforce Development Services	39,205,719

1	Workforce Regulation and Safety	
2	General Revenues	2,935,554
3	Total – Workforce Regulation and Safety	2,935,554
4	Income Support	
5	General Revenues	4,160,083
6	Federal Funds	14,329,659
7	Restricted Receipts	2,475,000
8	Other Funds	
9	Temporary Disability Insurance Fund	186,953,678
10	Employment Security Fund	160,400,000
11	Other Funds Total	347,353,678
12	Total – Income Support	368,318,420
13	<i>Injured Workers Services</i>	
14	Restricted Receipts	8,662,501
15	Total – Injured Workers Services	8,662,501
16	Labor Relations Board	
17	General Revenues	402,491
18	Total – Labor Relations Board	402,491
19	Grand Total – General Revenues	10,322,779
20	Grand Total – Labor and Training	422,079,133
21	Department of Revenue	
22	<i>Director of Revenue</i>	
23	General Revenues	1,147,047
24	Total – Director of Revenue	1,147,047
25	<i>Office of Revenue Analysis</i>	
26	General Revenues	806,836
27	Total – Office of Revenue Analysis	806,836
28	<i>Lottery Division</i>	
29	Other Funds	382,271,870
30	Total – Lottery Division	382,271,870
31	<i>Municipal Finance</i>	
32	General Revenues	2,391,184
33	Total – Municipal Finance	2,391,184
34	<i>Taxation</i>	

1	General Revenues	20,294,329
2	Federal Funds	1,343,291
3	Restricted Receipts	930,267
4	Other Funds	
5	Motor Fuel Tax Evasion	16,148
6	Temporary Disability Insurance Fund	987,863
7	Other Funds Total	1,004,011
8	Total – Taxation	23,571,898
9	<i>Registry of Motor Vehicles</i>	
10	General Revenues	20,518,390
11	License Plate Issuance	3,150,000
12	All unexpended or unencumbered balances as of June 30, 2017 relating to license plate	
13	reissuance are hereby reappropriated to fiscal year 2018.	
14	General Revenues Total	23,668,390
15	Federal Funds	802,076
16	Restricted Receipts	4,094,763
17	Total – Registry of Motor Vehicles	28,565,229
18	<i>State Aid</i>	
19	General Revenues	
20	Distressed Communities Relief Fund	10,384,458
21	Payment in Lieu of Tax Exempt Properties	41,979,103
22	Motor Vehicle Excise Tax Payments	10,000,000
23	Property Revaluation Program	559,901
24	General Revenues Total	62,923,462
25	Restricted Receipts	922,013
26	Total – State Aid	63,845,475
27	Grand Total – General Revenues	111,231,248
28	Grand Total – Revenue	502,599,539
29	Legislature	
30	General Revenues	41,352,730
31	Restricted Receipts	1,696,572
32	Grand Total – Legislature	43,049,302
33	Lieutenant Governor	
34	General Revenues	1,109,576

1	Grand Total – Lieutenant Governor	1,109,576
2	Secretary of State	
3	<i>Administration</i>	
4	General Revenues	3,539,219
5	Total – Administration	3,539,219
6	<i>Corporations</i>	
7	General Revenues	2,192,627
8	Total – Corporations	2,192,627
9	<i>State Archives</i>	
10	General Revenues	133,721
11	Restricted Receipts	516,519
12	Other Funds	
13	Rhode Island Capital Plan Funds	
14	StateArchives	100,000
15	Total – State Archives	750,240
16	<i>Elections and Civics</i>	
17	General Revenues	3,182,103
18	Total – Elections and Civics	3,182,103
19	<i>State Library</i>	
20	General Revenues	560,784
21	Total – State Library	560,784
22	<i>Office of Public Information</i>	
23	General Revenues	484,232
24	Receipted Receipts	40,000
25	Total – Office of Public Information	524,232
26	Grand Total – General Revenues	10,092,686
27	Grand Total – Secretary of State	10,749,205
28	General Treasurer	
29	Treasury	
30	General Revenues	2,507,779
31	Federal Funds	328,594
32	Other Funds	
33	Temporary Disability Insurance Fund	250,410
34	Tuition Savings Program – Admin	424,837

1	Other Funds Total	675,247
2	Total – General Treasurer	3,511,620
3	State Retirement System	
4	Restricted Receipts	
5	Admin Expenses – State Retirement System	8,427,504
6	Retirement – Treasury Investment Operations	1,544,396
7	Defined Contribution – Administration	68,373
8	Restricted Receipts Total	10,040,273
9	Total – State Retirement System	10,040,273
10	Unclaimed Property	
11	Restricted Receipts	21,115,990
12	Total – Unclaimed Property	21,115,990
13	Crime Victim Compensation Program	
14	General Revenues	348,452
15	Federal Funds	624,287
16	Restricted Receipts	1,130,533
17	Total – Crime Victim Compensation Program	2,103,272
18	Grand Total – General Revenues	2,856,231
19	Grand Total – General Treasurer	36,771,155
20	Board of Elections	
21	General Revenues	1,982,707
22	Grand Total – Board of Elections	1,982,707
23	Rhode Island Ethics Commission	
24	General Revenues	1,653,383
25	Grand Total – Rhode Island Ethics Commission	1,653,383
26	Office of Governor	
27	General Revenues	
28	General Revenues	5,091,069
29	Contingency Fund	250,000
30	General Revenues Total	5,091,069
31	Grand Total – Office of Governor	5,091,069
32	Commission for Human Rights	
33	General Revenues	1,258,128
34	Federal Funds	323,295

1	Grand Total – Commission for Human Rights	1,581,423
2	Public Utilities Commission	
3	Federal Funds	104,669
4	Restricted Receipts	8,822,304
5	Grand Total – Public Utilities Commission	8,926,973
6	Office of Health and Human Services	
7	Central Management	
8	General Revenues	33,344,387
9	Federal Funds	
10	Federal Funds	111,929,788
11	Federal Funds – Stimulus	100,085
12	Federal Funds Total	112,029,873
13	Restricted Receipts	3,914,402
14	Total – Central Management	149,288,662
15	Medical Assistance	
16	General Revenues	
17	Managed Care	288,678,655
18	Hospitals	95,309,357
19	Nursing Facilities	98,055,266
20	Home and Community Based Services	37,869,820
21	Other Services	41,426,489
22	Pharmacy	56,575,573
23	Rhody Health	263,460,568
24	General Revenues Total	881,375,728
25	Federal Funds	
26	Managed Care	333,469,695
27	Hospitals	99,522,101
28	Nursing Facilities	101,528,015
29	Home and Community Based Services	39,221,292
30	Other Services	502,625,998
31	Pharmacy	(1,395,128)
32	Rhody Health	270,095,126
33	Special Education	19,000,000
34	Federal Funds Total	1,364,067,099

1	Restricted Receipts	14,585,000
2	Total – Medical Assistance	2,260,027,827
3	Grand Total – General Revenues	914,720,115
4	Grand Total – Office of Health and Human Services	2,409,316,489
5	Children, Youth, and Families	
6	Central Management	
7	General Revenues	7,074,378
8	Federal Funds	2,808,145
9	Total – Central Management	9,882,523
10	Children's Behavioral Health Services	
11	General Revenues	5,004,800
12	Federal Funds	4,828,525
13	Other Funds	
14	Rhode Island Capital Plan Funds	
15	Various Repairs and Improvements to Training School	250,000
16	Other Funds Total	250,000
17	Total – Children's Behavioral Health Services	10,083,325
18	Juvenile Correctional Services	
19	General Revenues	24,927,098
20	Federal Funds	281,367
21	Total – Juvenile Correctional Services	25,208,465
22	Child Welfare	
23	General Revenues	
24	General Revenues	114,777,744
25	Federal Funds	
26	Federal Funds	52,104,852
27	Federal Funds – Stimulus	386,594
28	Federal Funds Total	52,491,446
29	Restricted Receipts	3,466,576
30	Total – Child Welfare	170,735,766
31	Higher Education Incentive Grants	
32	General Revenues	200,000
33	Total – Higher Education Incentive Grants	200,000
34	Grand Total – General Revenues	151,984,020

1	Grand Total – Children, Youth, and Families	216,110,079
2	Health	
3	<i>Central Management</i>	
4	General Revenues	319,445
5	Federal Funds	808,064
6	Restricted Receipts	4,043,053
7	Total – Central Management	5,170,562
8	<i>Community Health and Equity</i>	
9	General Revenues	1,530,102
10	Federal Funds	74,019,207
11	Restricted Receipts	30,434,862
12	Total – Community Health and Equity	105,984,171
13	<i>Environmental Health</i>	
14	General Revenues	5,169,143
15	Federal Funds	6,148,955
16	Restricted Receipts	386,415
17	Total – Environmental Health	11,704,513
18	<i>Health Laboratories and Medical Examiner</i>	
19	General Revenues	10,121,341
20	Federal Funds	2,129,140
21	Total – Health Laboratories and Medical Examiner	12,250,481
22	<i>Customer Services</i>	
23	General Revenues	6,521,505
24	Federal Funds	3,491,908
25	Restricted Receipts	1,019,959
26	Total – Customer Services	11,033,372
27	<i>Policy, Information and Communications</i>	
28	General Revenues	937,935
29	Federal Funds	1,629,319
30	Restricted Receipts	581,225
31	Total – Policy, Information and Communications	3,148,479
32	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
33	General Revenues	1,902,523
34	Federal Funds	12,138,428

1	Total – Preparedness, Response, Infectious Disease &	
2	Emergency Services	14,040,951
3	Grand Total – General Revenues	26,501,994
4	Grand Total - Health	163,332,529
5	Human Services	
6	Central Management	
7	General Revenues	5,605,693
8	Federal Funds	4,155,192
9	Restricted Receipts	520,844
10	Total – Central Management	10,281,729
11	Child Support Enforcement	
12	General Revenues	3,314,623
13	Federal Funds	6,207,167
14	Total – Child Support Enforcement	9,521,790
15	Individual and Family Support	
16	General Revenues	18,637,720
17	Federal Funds	
18	Federal Funds	81,391,433
19	Federal Funds – Stimulus	1,625,839
20	Federal Funds Total	83,017,272
21	Restricted Receipts	394,399
22	Other Funds	
23	Intermodal Surface Transportation Fund	4,428,478
24	Food Stamp Bonus Funding	500,000
25	Rhode Island Capital Plan Funds	
26	Blind Vending Facilities	165,000
27	Other Funds Total	5,093,478
28	Total – Individual and Family Support	107,142,869
29	Office of Veterans' Affairs	
30	General Revenues	20,585,125
31	Federal Funds	9,268,534
32	Restricted Receipts	246,282
33	Total – Office Veterans' Affairs	30,099,941
34	Health Care Eligibility	

1	General Revenues	8,777,641
2	Federal Funds	10,900,014
3	Total – Health Care Eligibility	19,677,655
4	Supplemental Security Income Program	
5	General Revenues	18,502,100
6	Total – Supplemental Security Income Program	18,502,100
7	Rhode Island Works	
8	General Revenues	19,275,128
9	Federal Funds	80,285,956
10	Total – Rhode Island Works	99,561,084
11	State Funded Programs	
12	General Revenues	1,569,900
13	Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
14	Federal Funds	282,085,000
15	Total – State Funded Programs	283,654,900
16	Elderly Affairs	
17	General Revenues	
18	General Revenues	6,937,650
19	RIPAE	75,229
20	Care and Safety of the Elderly	1,300
21	General Revenues – Total	7,014,179
22	Federal Funds	11,941,085
23	Restricted Receipts	120,693
24	Total – Elderly Affairs	19,075,957
25	Grand Total – General Revenues	103,282,109
26	Grand Total – Human Services	597,518,025
27	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
28	Central Management	
29	General Revenues	1,097,743
30	Federal Funds	597,685
31	Total – Central Management	1,695,428
32	Hospital and Community System Support	
33	General Revenues	1,474,964
34	Federal Funds	789,226

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Medical Center Rehabilitation	250,000
4	Community Facilities Fire Code	400,000
5	Other Funds Total	650,000
6	Total – Hospital and Community System Support	2,914,190
7	Services for the Developmentally Disabled	
8	General Revenues	114,259,149
9	Of this general revenue funding, \$2.5 million shall be expended on private provider	
10	Direct Support Staff raises.	
11	Federal Funds	118,508,783
12	Restricted Receipts	1,755,100
13	Other Funds	
14	Rhode Island Capital Plan Funds	
15	DD Private Waiver	200,000
16	MR Community Facilities/Access to Independence	500,000
17	Other Funds Total	700,000
18	Total – Services for the Developmentally Disabled	235,223,032
19	Behavioral Healthcare Services	
20	General Revenues	2,275,925
21	Federal Funds	17,235,690
22	Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse	
23	Task Forces and \$128,000 shall be expended on NAMI of RI.	
24	Restricted Receipts	100,000
25	Other Funds	
26	Rhode Island Capital Plan Funds	
27	MH Community Facilities Repair	400,000
28	MH Housing Development Thresholds	800,000
29	Substance Abuse Asset Protection	100,000
30	Other Funds Total	1,300,000
31	Total – Behavioral Healthcare Services	20,911,615
32	Hospital and Community Rehabilitative Services	
33	General Revenues	49,035,997
34	Federal Funds	50,358,890

1	Restricted Receipts	6,580,724
2	Other Funds	
3	Rhode Island Capital Plan Funds	
4	Zambarano Buildings and Utilities	386,000
5	Hospital Consolidation	1,000,000
6	Eleanor Slater HVAC/Elevators	5,600,000
7	MR Community Facilities	1,000,000
8	Hospital Equipment	300,000
9	Other Funds Total	8,286,000
10	Total - Hospital and Community Rehabilitative Services	
11		114,261,611
12	Grand Total – General Revenues	168,143,778
13	Grand Total – Behavioral Healthcare, Developmental	375,005,876
14	Disabilities, and Hospitals	
15	Office of the Child Advocate	
16	General Revenues	650,582
17	Federal Funds	45,000
18	Grand Total – Office of the Child Advocate	695,582
19	Commission on the Deaf and Hard of Hearing	
20	General Revenues	477,746
21	Federal Funds	110,000
22	Grand Total – Comm. On Deaf and Hard of Hearing	587,746
23	Governor’s Commission on Disabilities	
24	General Revenues	386,147
25	Federal Funds	10,297
26	Restricted Receipts	44,126
27	Other Funds	
28	Total – Governor’s Commission on Disabilities	440,570
29	Office of the Mental Health Advocate	
30	General Revenues	542,009
31	Grand Total – Office of the Mental Health Advocate	542,009
32	Elementary and Secondary Education	
33	Administration of the Comprehensive Education Strategy	
34	General Revenues	25,134,987

1	Federal Funds	
2	Federal Funds	202,791,134
3	Federal Funds – Stimulus	1,804,987
4	Federal Funds Total	204,596,121
5	Restricted Receipts	
6	Restricted Receipts	1,264,259
7	HRIC Adult Education Grants	3,500,000
8	Restricted Receipts Total	4,764,259
9	Other Funds	
10	State-Owned Warwick	350,000
11	State-Owned Woonsocket	1,950,000
12	Rhode Island Capital Plan Funds	
13	Shepard Building Air Quality	95,000
14	Other Funds Total	2,395,000
15	Total – Admin. of the Comprehensive Ed. Strategy	236,890,367
16	<i>Davies Career and Technical School</i>	
17	General Revenues	12,998,800
18	Federal Funds	1,379,112
19	Restricted Receipts	3,936,872
20	Other Funds	
21	Rhode Island Capital Plan Funds	
22	Davies HVAC	1,400,000
23	Davies Asset Protection	150,000
24	Other Funds Total	1,550,000
25	Total – Davies Career and Technical School	19,864,784
26	RI School for the Deaf	
27	General Revenues	6,326,744
28	Federal Funds	254,320
29	Restricted Receipts	785,791
30	Other Funds	
31	RI School for the Deaf Transformation Grants	59,000
32	Other Funds Total	59,000
33	Total – RI School for the Deaf	7,425,855
34	Metropolitan Career and Technical School	

1	General Revenues	9,529,888
2	Other Funds	
3	Rhode Island Capital Plan Funds	
4	MET Asset Protection	100,000
5	Other Funds Total	100,000
6	Total – Metropolitan Career and Technical School	9,629,888
7	Education Aid	
8	General Revenues	837,329,692
9	Restricted Receipts	20,700,072
10	Other Funds	
11	Permanent School Fund – Education Aid	600,000
12	Other Funds Total	600,000
13	Total – Education Aid	858,629,764
14	Central Falls School District	
15	General Revenues	38,862,333
16	Total – Central Falls School District	38,862,333
17	School Construction Aid	
18	General Revenues	
19	School Housing Aid	70,907,110
20	School Building Authority Fund	9,092,890
21	General Revenues Total	80,000,000
22	Total – School Construction Aid	80,000,000
23	Teachers' Retirement	
24	General Revenues	99,076,582
25	Total – Teachers' Retirement	99,076,582
26	Grand Total – General Revenues	1,109,259,026
27	Grand Total – Elementary and Secondary Education	1,350,379,573
28	Public Higher Education	
29	<i>Office of the Postsecondary Commissioner</i>	
30	General Revenues	9,301,623
31	Federal Funds	
32	Federal Funds	9,445,218
33	WaytogoRI Portal	863,629
34	Guaranty Agency Operating Fund-Scholarships & Grants	4,000,000

1	Federal Funds Total	14,308,847
2	Other Funds	7,395,000
3	Total – Office of the Postsecondary Commissioner	31,005,470

4 *University of Rhode Island*

5	General Revenues	
6	General Revenues	75,804,171

7 The University shall not decrease internal student financial aid in the 2016 – 2017
8 academic year below the level of the 2015 – 2016 academic year. The President of the institution
9 shall report, prior to the commencement of the 2016 – 2017 academic year, to the chair of the
10 Council on Postsecondary Education that such tuition charges and student aid levels have been
11 achieved at the start of FY 2017 as prescribed above.

12	Debt Service	13,182,679
13	RI State Forensics Laboratory	1,071,393
14	General Revenues Total	90,058,243

15 Other Funds

16	University and College Funds	649,629,440
17	Debt – Dining Services	1,106,597
18	Debt – Education and General	3,786,661
19	Debt – Health Services	146,167
20	Debt – Housing Loan Funds	11,751,883
21	Debt – Memorial Union	319,976
22	Debt – Ryan Center	2,789,719
23	Debt – Alton Jones Services	102,946
24	Debt – Parking Authority	1,042,907
25	Debt – Sponsored Research	85,105
26	Debt – Restricted Energy Conservation	810,170
27	Debt – URI Energy Conservation	2,021,187
28	Rhode Island Capital Plan Funds	
29	Asset Protection	13,556,000
30	URI/RIC Nursing EDU Center Program Planning	200,000
31	Other Funds Total	687,348,758
32	Total – University of Rhode Island	777,407,001

33 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
34 unencumbered balances as of June 30, 2016 relating to the University of Rhode Island are hereby

1 reappropriated to fiscal year 2017.

2 *Rhode Island College*

3 General Revenues

4 General Revenues 46,946,330

5 Rhode Island College shall not decrease internal student financial aid in the 2016 – 2017
6 academic year below the level of the 2015 – 2016 academic year. The President of the institution
7 shall report, prior to the commencement of the 2016 – 2017 academic year, to the chair of the
8 Council of Postsecondary Education that such tuition charges and student aid levels have been
9 achieved at the start of FY 2017 as prescribed above.

10 Debt Service 2,565,254

11 General Revenues Total 49,511,584

12 Other Funds

13 University and College Funds 125,192,812

14 Debt – Education and General 880,568

15 Debt – Housing 368,195

16 Debt – Student Center and Dining 154,068

17 Debt – Student Union 235,656

18 Debt – G.O. Debt Service 1,644,459

19 Debt Energy Conservation 256,275

20 Rhode Island Capital Plan Funds

21 Asset Protection 5,357,700

22 Infrastructure Modernization 3,000,000

23 Other Funds – Total 137,089,733

24 Total – Rhode Island College 186,601,317

25 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
26 unencumbered balances as of June 30, 2016 relating to Rhode Island College are hereby
27 reappropriated to fiscal year 2017.

28 *Community College of Rhode Island*

29 General Revenues

30 General Revenues 48,936,035

31 The Community College of Rhode Island shall not decrease internal student financial aid
32 in the 2016 – 2017 academic year below the level of the 2015 – 2016 academic year. The
33 President of the institution shall report, prior to the commencement of the 2016 – 2017 academic
34 year, to the chair of the Council of Postsecondary Education that such tuition charges and student

1 aid levels have been achieved at the start of FY 2017 as prescribed above.

2	Debt Service	1,691,204
3	General Revenues Total	50,627,239
4	Restricted Receipts	660,795
5	Other Funds	
6	University and College Funds	107,824,292
7	CCRI Debt Service – Energy Conservation	807,225
8	Rhode Island Capital Plan Funds	
9	Asset Protection	2,484,100
10	Knight Campus Renewal	4,000,000
11	Westerly Campus	2,000,000
12	Other Funds Total	117,115,617
13	Total – Community College of RI	168,403,651
14	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
15	unencumbered balances as of June 30, 2016 relating to the Community College of Rhode Island	
16	are hereby reappropriated to fiscal year 2017.	
17	Grand Total – General Revenues	199,498,689
18	Grand Total – Public Higher Education	1,163,417,439
19	RI State Council on the Arts	
20	General Revenues	
21	Operating Support	455,046
22	Grants	1,084,574
23	General Revenues Total	1,539,620
24	Federal Funds	775,454
25	Other Funds	303,200
26	Grand Total – RI State Council on the Arts	2,618,274
27	RI Atomic Energy Commission	
28	General Revenues	981,100
29	Federal Funds	50,308
30	Other Funds	
31	URI Sponsored Research	269,527
32	Rhode Island Capital Plan Funds	
33	RINSC Asset Protection	50,000
34	Other Funds Total	319,527

1	Grand Total – RI Atomic Energy Commission	1,350,935
2	RI Historical Preservation and Heritage Commission	
3	General Revenues	1,373,860
4	Federal Funds	1,093,966
5	Restricted Receipts	427,175
6	Other Funds	79,998
7	Grand Total - RI Historical Preservation and Heritage Comm.	2,974,999
8	Attorney General	
9	Criminal	
10	General Revenues	15,675,925
11	Federal Funds	1,692,545
12	Restricted Receipts	6,377,954
13	Total – Criminal	23,746,424
14	Civil	
15	General Revenues	5,135,543
16	Restricted Receipts	916,302
17	Total – Civil	6,051,845
18	Bureau of Criminal Identification	
19	General Revenues	1,758,215
20	Total – Bureau of Criminal Identification	1,758,215
21	General	
22	General Revenues	3,026,299
23	Other Funds	
24	Rhode Island Capital Plan Funds	
25	Building Renovations and Repairs	300,000
26	Other Funds Total	300,000
27	Total – General	3,326,299
28	Grand Total – General Revenues	25,595,982
29	Grand Total – Attorney General	34,882,783
30	Corrections	
31	Central Management	
32	General Revenues	10,179,627
33	Total – Central Management	10,179,627
34	Parole Board	

1	General Revenues	1,338,481
2	Federal Funds	14,006
3	Total – Parole Board	1,352,487
4	Custody and Security	
5	General Revenues	134,005,962
6	Federal Funds	571,759
7	Total – Custody and Security	134,577,721
8	<i>Institutional Support</i>	
9	General Revenues	15,741,751
10	Other Funds	
11	Rhode Island Capital Plan Funds	
12	Asset Protection	3,750,000
13	Maximum – General Renovations	1,000,000
14	General Renovations Women’s	150,000
15	Women’s Bath Renovations	750,000
16	Bernadette Guay Roof	650,000
17	ISC Exterior Envelope and HVAC	1,700,000
18	Medium Infrastructure	4,000,000
19	Correctional Facilities Study	250,000
20	Other Funds Total	12,250,000
21	Total – Institutional Support	27,991,751
22	<i>Institutional Based Rehab./Population Management</i>	
23	General Revenues	12,142,234
24	Federal Funds	527,398
25	Restricted Receipts	44,023
26	Total – Institutional Based Rehab/Population Mgt.	12,713,655
27	<i>Healthcare Services</i>	
28	General Revenues	22,138,257
29	Total – Healthcare Services	22,138,257
30	Community Corrections	
31	General Revenues	17,133,189
32	Federal Funds	16,845
33	Restricted Receipts	16,118
34	Total – Community Corrections	17,166,152

1	Grand Total – General Revenues	212,679,501
2	Grand Total – Corrections	226,119,650
3	Judiciary	
4	Supreme Court	
5	General Revenues	
6	General Revenues	27,527,159
7	Provided however, that no more than \$1,056,438 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	3,784,406
12	General Revenues Total	31,311,565
13	Federal Funds	128,933
14	Restricted Receipts	3,076,384
15	Other Funds	
16	Rhode Island Capital Plan Funds	
17	Judicial HVAC	900,000
18	Judicial Complexes Asset Protection	875,000
19	Licht Judicial Complex Restoration	750,000
20	Noel Shelled Courtroom Build Out	3,000,000
21	Other Funds Total	5,525,000
22	Total - Supreme Court	40,041,882
23	<i>Judicial Tenure and Discipline</i>	
24	General Revenues	124,865
25	Total – Judicial Tenure and Discipline	124,865
26	Superior Court	
27	General Revenues	22,807,060
28	Federal Funds	51,290
29	Restricted Receipts	371,741
30	Total – Superior Court	23,230,091
31	Family Court	
32	General Revenues	21,045,610
33	Federal Funds	2,770,714
34	Total – Family Court	23,816,324

1	District Court	
2	General Revenues	12,034,130
3	Federal Funds	165,428
4	Restricted Receipts	138,045
5	Total - District Court	12,337,603
6	Traffic Tribunal	
7	General Revenues	9,018,180
8	Total – Traffic Tribunal	9,018,180
9	Workers' Compensation Court	
10	Restricted Receipts	8,096,017
11	Total – Workers’ Compensation Court	8,096,017
12	Grand Total – General Revenues	96,341,410
13	Grand Total – Judiciary	116,664,962
14	Military Staff	
15	General Revenues	2,659,719
16	Federal Funds	17,497,797
17	Restricted Receipts	
18	RI Military Family Relief Fund	300,000
19	Counter Drug Asset Forfeiture	37,300
20	Restricted Receipts Total	337,300
21	Other Funds	
22	Rhode Island Capital Plan Funds	
23	Armory of Mounted Command Roof Replacement	357,500
24	Asset Protection	700,000
25	Bristol Readiness Center	125,000
26	Joint Force Headquarters Building	3,000,000
27	Other Funds Total	4,182,500
28	Grand Total – Military Staff	24,677,316
29	Public Safety	
30	<i>Central Management</i>	
31	General Revenues	1,407,618
32	Federal Funds	5,398,633
33	Total – Central Management	6,806,251
34	<i>E-911 Emergency Telephone System</i>	

1	General Revenues	5,699,440
2	Total – E-911 Emergency Telephone System	5,699,440
3	<i>State Fire Marshal</i>	
4	General Revenues	3,248,953
5	Federal Funds	425,169
6	Restricted Receipts	195,472
7	Other Funds	
8	Quonset Development Corporation	62,294
9	Rhode Island Capital Plan Funds	
10	Fire Academy	1,215,000
11	Other Funds – Total	1,277,294
12	Total – State Fire Marshal	5,146,888
13	<i>Security Services</i>	
14	General Revenues	23,162,912
15	Total – Security Services	23,162,912
16	<i>Municipal Police Training Academy</i>	
17	General Revenues	263,746
18	Federal Funds	222,395
19	Total – Municipal Police Training Academy	486,141
20	<i>State Police</i>	
21	General Revenues	66,043,107
22	Federal Funds	3,246,194
23	Restricted Receipts	5,256,598
24	Other Funds	
25	Lottery Commission Assistance	1,611,348
26	State Reimbursements from Agencies	453,443
27	Airport Corporation Assistance	212,221
28	Road Construction Reimbursement	2,934,672
29	Rhode Island Capital Plan Funds	
30	DPS Asset Protection	250,000
31	Wickford Barracks Renovations	500,000
32	Other Funds Total	5,961,684
33	Total – State Police	80,507,583
34	Grand Total – General Revenues	99,693,776

1	Grand Total – Public Safety	121,809,215
2	Emergency Management	
3	General Revenues	1,848,876
4	Federal Funds	20,094,466
5	Restricted Receipts	861,046
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	Emergency Management Building	189,750
9	RI State Communications Network System	1,000,000
10	Other Funds Total	1,189,750
11	Grand Total – Emergency Management	23,994,138
12	Office of Public Defender	
13	General Revenues	11,784,382
14	Federal Funds	112,820
15	Grand Total – Office of Public Defender	11,897,202
16	Environmental Management	
17	Office of the Director	
18	General Revenues	5,209,898
19	Restricted Receipts	3,901,548
20	Total – Office of the Director	9,111,446
21	Natural Resources	
22	General Revenues	21,024,014
23	Federal Funds	20,047,496
24	Restricted Receipts	6,221,231
25	Other Funds	
26	DOT Recreational Projects	909,926
27	Blackstone Bikepath Design	2,059,579
28	Transportation MOU	78,350
29	Rhode Island Capital Plan Funds	
30	Dam Repair	1,000,000
31	Fort Adams America’s Cup	700,000
32	Recreational Facilities Improvements	3,100,000
33	Galilee Piers Upgrade	250,000
34	Newport Piers	187,500

1	Fish & Wildlife Maintenance Facilities	150,000
2	Blackstone Valley Bike Path	300,000
3	Natural Resources Office/Visitor's Center	3,000,000
4	Marine Infrastructure	500,000
5	State Recreation Building Demolition	100,000
6	Fort Adams Rehabilitation	300,000
7	Other Funds Total	12,635,355
8	Total – Natural Resources	59,928,096
9	Environmental Protection	
10	General Revenues	12,006,966
11	Federal Funds	9,681,296
12	Restricted Receipts	8,959,177
13	Other Funds	164,734
14	Total – Environmental Protection	30,812,173
15	Grand Total – General Revenues	38,240,878
16	Grand Total – Environmental Management	99,851,715
17	Coastal Resources Management Council	
18	General Revenues	2,452,438
19	Federal Funds	4,098,312
20	Restricted Receipts	250,000
21	Other Funds	
22	Rhode Island Capital Plan Funds	
23	South Coast Restoration Project	260,657
24	RI Coastal Storm Risk Study	150,000
25	Other Funds Total	410,657
26	Grand Total – Coastal Resources Mgmt. Council	7,211,407
27	Transportation	
28	Central Management	
29	Federal Funds	6,610,622
30	Other Funds	
31	Gasoline Tax	2,593,920
32	Other Funds Total	2,593,920
33	Total – Central Management	9,204,542
34	Management and Budget	

1	Other Funds	
2	Gasoline Tax	3,009,298
3	Other Funds Total	3,009,298
4	Total – Management and Budget	3,009,298
5	Infrastructure Engineering - GARVEE/Motor Fuel Tax Bonds	
6	Federal Funds	
7	Federal Funds	261,412,765
8	Federal Funds – Stimulus	4,386,593
9	Federal Funds Total	265,799,358
10	Restricted Receipts	180,219
11	Other Funds	
12	Gasoline Tax	72,131,457
13	Land Sale Revenue	2,500,000
14	Rhode Island Capital Fund	
15	RIPTA Land and Buildings	120,000
16	Highway Improvement Program	27,200,000
17	Other Funds Total	101,951,457
18	Total - Infrastructure Eng. – Garvee/Motor Fuel Tax Bonds	367,931,034
19	Infrastructure Maintenance	
20	Other Funds	
21	Gasoline Tax	12,846,800
22	Non-Land Surplus Property	50,000
23	Outdoor Advertising	100,000
24	Rhode Island Highway Maintenance	79,792,727
25	Rhode Island Capital Plan Funds	
26	Maintenance Facilities Improvements	400,000
27	Salt Storage Facilities	1,000,000
28	Portsmouth Facility	2,273,444
29	Maintenance - Equipment Replacement	2,500,000
30	Train Station Maintenance and Repairs	350,000
31	Other Funds Total	99,312,971
32	Total – Infrastructure Maintenance	99,312,971
33	Grand Total – Transportation	479,457,845
34	Statewide Totals	

1	General Revenues	3,676,761,000
2	Federal Funds	2,967,238,364
3	Restricted Receipts	261,853,165
4	Other Funds	2,058,919,848
5	Statewide Grand Total	8,964,772,377

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

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

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

20 SECTION 5. 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	<u>Account</u>	<u>Expenditure Limit</u>
31	State Assessed Fringe Benefit Internal Service Fund	41,699,269
32	Administration Central Utilities Internal Service Fund	14,900,975
33	State Central Mail Internal Service Fund	6,190,285
34	State Telecommunications Internal Service Fund	3,017,521

1	State Automotive Fleet Internal Service Fund	12,543,165
2	Surplus Property Internal Service Fund	2,500
3	Health Insurance Internal Service Fund	251,723,462
4	Other Post-Employment Benefits Fund	63,934,483
5	Capitol Police Internal Service Fund	1,172,421
6	Corrections Central Distribution Center Internal Service Fund	7,094,183
7	Correctional Industries Internal Service Fund	7,304,210
8	Secretary of State Record Center Internal Service Fund	907,177

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

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

19 SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
20 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
21 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
22 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2017.

23 SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby
24 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to
25 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending
26 June 30, 2017.

27 SECTION 9. *Appropriation of Lottery Division Funds* -- There is hereby appropriated to
28 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes
29 of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2017.

30 SECTION 10. Departments and agencies listed below may not exceed the number of full-
31 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
32 not include seasonal or intermittent positions whose scheduled period of employment does not
33 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
34 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include

1 individuals engaged in training, the completion of which is a prerequisite of employment.
 2 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
 3 designee, and the President of the Senate or designee may authorize an adjustment to any
 4 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written
 5 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A
 6 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of
 7 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the
 8 Senate Fiscal Advisor.

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

12 FY 2017 FTE POSITION AUTHORIZATION

<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
Administration	743.7
Business Regulation	104.0
Executive Office of Commerce	16.0
Labor and Training	416.5
Revenue	523.5
Legislature	298.5
Office of the Lieutenant Governor	8.0
Office of the Secretary of State	59.0
Office of the General Treasurer	88.0
Board of Elections	12.0
Rhode Island Ethics Commission	12.0
Office of the Governor	45.0
Commission for Human Rights	14.5
Public Utilities Commission	51.0
Office of Health and Human Services	187.0
Children, Youth, and Families	672.5
Health	503.6
Human Services	955.1
Behavioral Health, Developmental Disabilities, and Hospitals	1,417.4
Office of the Child Advocate	6.0
Commission on the Deaf and Hard of Hearing	4.0

1	Governor’s Commission on Disabilities	4.0
2	Office of the Mental Health Advocate	4.0
3	Elementary and Secondary Education	153.4
4	School for the Deaf	60.0
5	Davies Career and Technical School	126.0
6	Office of Postsecondary Commissioner	24.0
7	Provided that 1.0 of the total authorization would be available only for positions that are	
8	supported by third-party funds.	
9	University of Rhode Island	2,489.5
10	Provided that 573.8 of the total authorization would be available only for positions that	
11	are supported by third-party funds.	
12	Rhode Island College	926.2
13	Provided that 82.0 of the total authorization would be available only for positions that are	
14	supported by third-party funds.	
15	Community College of Rhode Island	854.1
16	Provided that 89.0 of the total authorization would be available only for positions that are	
17	supported by third-party funds.	
18	Rhode Island State Council on the Arts	6.0
19	RI Atomic Energy Commission	8.6
20	Historical Preservation and Heritage Commission	16.6
21	Office of the Attorney General	236.1
22	Corrections	1,432.0
23	Judicial	724.3
24	Military Staff	96.0
25	Public Safety	633.2
26	Office of the Public Defender	93.0
27	Emergency Management	32.0
28	Environmental Management	401.0
29	Coastal Resources Management Council	29.0
30	Transportation	741.0
31	Total	15,227.3

32 SECTION 11. The amounts reflected in this Article include the appropriation of Rhode
33 Island Capital Plan funds for fiscal year 2017 and supersede appropriations provided for FY 2017
34 within Section 11 of Article 1 of Chapter 141 of the P.L. of 2015.

1 The following amounts are hereby appropriated out of any money in the State’s Rhode
2 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
3 June 30, 2018, June 30, 2019, and June 30, 2020. These amounts supersede appropriations
4 provided within Section 11 of Article 1 of Chapter 141 of the P.L. of 2015. For the purposes and
5 functions hereinafter mentioned, the State Controller is hereby authorized and directed to draw
6 his or her orders upon the General Treasurer for the payment of such sums and such portions
7 thereof as may be required by him or her upon receipt of properly authenticated vouchers.

	Fiscal Year Ending	Fiscal Year Ending	Fiscal Year Ending
<u>Project</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
10 DOA – Cannon Building	400,000	250,000	250,000
11 DOA – Accessibility Facility Ren.	1,000,000	1,000,000	1,000,000
12 DOA – Pastore Center Rehab	2,500,000	2,120,000	2,500,000
13 DOA – State Office Building	400,000	350,000	1,000,000
14 DOA – Virks Building	3,500,000	0	0
15 DOA – Washington County Govern. Ctr.	500,000	500,000	500,000
16 DOA – William Powers Administration	1,500,000	1,500,000	1,500,000
17 DOA – Zambarano Utilities and Infrs.	3,050,000	1,645,000	1,100,000
18 DOC Asset Protection	3,750,000	3,750,000	3,750,000
19 DLT Center General Asset Protection	1,130,000	500,000	500,000
20 El SEC – Davies School Asset Protection	150,000	150,000	150,000
21 EL SEC – Davies HVAC	1,101,000	0	0
22 EL SEC – Met School Asset	250,000	250,000	250,000
23 Judicial-Asset Protection	950,000	950,000	1,000,000
24 Mil Staff-Joint Force Headquarters Building	3,000,000	4,100,000	0
25 Higher Ed-Asset Protection-CCRI	2,799,063	2,368,035	2,439,076
26 Higher Ed – Knight Campus Renewal	5,000,000	4,000,000	3,000,000
27 Higher Ed-Asset Protection-RIC	3,458,431	3,562,184	3,669,050
28 Higher Ed-Asset Protection-URI	8,030,000	8,200,000	8,364,000
29 Higher Ed-RIC Infrastructure Modernization	4,500,000	4,500,000	3,600,000
30 DPS Consolidated Training Academy	4,000,000	3,100,000	2,650,000
31 DPS – Asset Protection	250,000	250,000	250,000
32 DEM-Dam Repairs	1,000,000	1,500,000	1,000,000
33 DEM Galilee Piers	1,250,000	1,250,000	400,000
34 DEM-Recreation Facility Improvements	2,200,000	850,000	850,000

1	DOT-Highway Improvement	27,200,000	27,200,000	27,200,000
2	DOT-Maintenance – Capital Equipment	2,500,000	2,500,000	2,500,000

3 SECTION 12. [Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.](#)

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

10 SECTION 13. For the Fiscal Year ending June 30, 2017, the Rhode Island Housing and
 11 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in
 12 support of the Neighborhood Opportunities Program. The Corporation shall provide a report
 13 detailing the amount of funding provided to this program, as well as information on the number
 14 of units of housing provided as a result to the Director of Administration, the Chair of the
 15 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the
 16 Senate Finance Committee and the State Budget Officer.

17 SECTION 14. Notwithstanding any provisions of Chapter 19 in Title 23 of the Rhode
 18 Island General Laws, the Resource Recovery Corporation shall transfer to the State Controller the
 19 sum of one million five hundred thousand dollars (\$1,500,000) by June 30, 2017.

20 SECTION 15. Notwithstanding any provisions of Chapter 12.2 in Title 46 of the Rhode
 21 Island General Laws, the Rhode Island Infrastructure Bank shall transfer to the State Controller
 22 the sum of eight million dollars (\$8,000,000) by June 30, 2017.

23 SECTION 16. Notwithstanding any provisions of Chapter 25 in Title 46 of the Rhode
 24 Island General Laws, the Narragansett Bay Commission shall transfer to the State Controller the
 25 sum of one million four hundred and fifty thousand dollars (\$1,450,000) by June 30, 2017.

26 SECTION 17. Notwithstanding any provisions of Chapter 38 in Title 45 of the Rhode
 27 Island General Laws, the Rhode Island Health and Educational Building Corporation shall
 28 transfer to the State Controller the sum of five million dollars (\$5,000,000) by June 30, 2017.

29 SECTION 18. Notwithstanding any provisions of Chapter 1 in Title 1 of the Rhode
 30 Island General Laws, the Rhode Island Airport Corporation shall transfer to the State Controller
 31 the sum of two hundred and seventy-five thousand dollars (\$275,000) by June 30, 2017.

32 SECTION 19. This article shall take effect as of July 1, 2016.

33 **ARTICLE 2**
 34 RELATING TO PUBLIC FINANCE MANAGEMENT BOARD

1 SECTION 1. Sections 42-10.1-2 and 42-10.1-4 of the General Laws in Chapter 42-10.1
2 entitled “Public Finance Management Board” are hereby amended to read as follows:

3 **42-10.1-2. Purpose.** – It shall be the purpose and responsibility of the board:

4 (1) To advise and assist all state departments, authorities, agencies, boards, commissions,
5 and public and quasi-public corporations having authority to issue revenue or general obligation
6 bonds or notes with respect to issuance of and financial planning related to all those bonds and
7 notes;

8 (2) ~~Upon request, t~~To advise and/or assist any city or town and any municipal or regional
9 agency, authority, board, commission, or public or quasi-public corporation having authority to
10 issue revenue or general obligation bonds or notes with respect to the issuance and financial
11 planning related to those bonds and notes;

12 (3) To collect, maintain, and provide information on state, municipal and public or quasi-
13 public corporation debt authorization, sold and outstanding, and serve as a statistical center for all
14 state and municipal debt issues;

15 (4) To maintain contact with state municipal and public or quasi-public corporation bond
16 issuers, underwriters, credit rating agencies, investors, and others to improve the market for state
17 and local government debt issues;

18 (5) To undertake or commission studies on methods to reduce the costs and improve
19 credit ratings of state and local debt issues;

20 (6) To recommend changes in state laws and local practices to improve the sale and
21 servicing of state and local debts.

22 **42-10.1-4. Notice of debt issue to board.** – (a) Each state, municipal and regional
23 ~~department~~, authority, agency, board, commission, and public and quasi-public corporation
24 having authority to issue revenue or general obligation bonds or notes shall, no later than thirty
25 (30) days prior to the sale of any such debt issue at public or private sale, give written notice of
26 the proposed sale to the board; and each such issuer shall, within thirty (30) days after such sale,
27 submit to the board a report of final sale.

28 (b) The notice of proposed debt shall include one proposed sale date, the name of the
29 issuer, the nature of the debt issue, and the estimated principal amount thereof, and such further
30 information as may be required by rule of the board and shall be delivered in accordance with
31 procedures to be established by rule of the board; and the notice of final sale shall be made on a
32 form approved by the board and contain all of the information requested on said form. Any issuer
33 which fails to submit the report of proposed debt or report of final sale by the appropriate
34 deadline shall be subject to a per diem fine of two hundred fifty dollars (\$250), which shall be

1 [collected and enforced by the Office of the General Treasurer.](#)

2 (c) Failure of delivery of the above notice or of the time or efficiency thereof shall not
3 affect the validity of the issuance of any debt, bond or note.

4 (d) The board shall submit a report annually on or before September 30th of each year to
5 the director of administration, the speaker of the house, the chairman of the house finance
6 committee, the president of the senate, the chairman of the senate finance committee, and the
7 auditor general on debt issues by cities and towns and other authorities subject to the provision of
8 chapter 45-12, which report shall include the information set forth in division (b) of this section
9 and shall be for the notices of debt issues received during the state's fiscal year next preceding.
10 An electronic transmission of the report shall be considered an acceptable submission.

11 SECTION 2. This article shall take effect as of January 1, 2017.

12 ARTICLE 3

13 RELATING TO PUBLIC OFFICERS AND EMPLOYEES

14 SECTION 1. Section 30-15-5 of the General Laws in Chapter 30-15 entitled "Emergency
15 Management" is hereby amended to read as follows:

16 **30-15-5. Emergency management preparedness agency created – Personnel –**
17 **Facilities.** – (a) There is hereby created within the executive department, the Rhode Island
18 emergency management agency (hereinafter in this chapter called the "agency"), to be headed by
19 a director, who shall be appointed by and serve at the pleasure of, the governor, and who shall be
20 in the unclassified service.

21 (b) The director may employ such technical, clerical, stenographic, and other personnel,
22 all of whom shall be in the classified service [except for one administrative executive officer who](#)
23 [shall be in the unclassified service](#), and may make such expenditures within the appropriation
24 therefor, or from other funds made available for the purposes of this chapter, as may be necessary
25 to carry out the purposes of this chapter, consistent with other applicable provisions of law.

26 (c) The agency may provide itself with appropriate office space, furniture, equipment,
27 supplies, stationery, and printing.

28 (d) The director, subject to the direction and control of the governor, shall be the head of
29 the agency, and shall be responsible to the governor for carrying out the program for disaster
30 preparedness of this state. The director shall coordinate the activities of all organizations for
31 disasters within the state, and shall maintain liaison with and cooperate with disaster agencies and
32 organizations of other states and of the federal government. The director shall have such
33 additional authority, duties, and responsibilities authorized by this chapter as may be prescribed
34 by the governor.

1 (e) Wherever in the general or public laws, or any rule or regulation, any reference to the
2 "executive director" shall appear, it shall be deemed to mean and shall mean "the director."

3 SECTION 2. Section 36-3-10 of the General Laws in Chapter 36-3 entitled "Division of
4 Personnel Administration" is hereby amended to read as follows:

5 **36-3-10. Appeals to appeal board.** – (a) The personnel appeal board shall hear appeals:

6 (1) By any person with provisional, probationary, or permanent status in a position in the
7 classified service aggrieved by an action of the administrator of adjudication for the department
8 of administration on matters of personnel administration.

9 (2) By any person with provisional, probationary, or permanent status in a position in the
10 classified service who has been discharged, demoted, suspended, or laid off by any appointing
11 authority.

12 (3) By any person who holds the belief that he or she has been discriminated against
13 because of his or her race, sex, age, disability, or his or her political or religious beliefs in any
14 personnel action.

15 (4) By any person who by the personnel policy of the state of Rhode Island or by
16 contractual agreement with the state of Rhode Island is vested with the right of appeal to the
17 board.

18 (b) Appeals shall be taken in accordance with the provisions of this chapter and chapter 4
19 of this title of the personnel rules provided, however, that the personnel appeal board may dismiss
20 the appeal of a person who has already appealed or seeks to appeal the same matter under
21 provisions of a contractual agreement or other law or regulation.

22 (c) For all appeals brought on or after July 1, 2016 to the personnel appeal board by an
23 employee pursuant to subsection (a)(2) above, the personnel appeal board shall give deference to
24 the degree of discipline imposed upon the employee by the appointing authority provided that the
25 factual findings of the personnel appeal board are substantially consistent with the facts relied
26 upon by the appointing authority and the degree of discipline imposed was not arbitrary,
27 capricious or contrary to rule or law.

28 SECTION 3. Sections 36-4-2, 36-4-7, 36-4-16.2, 36-4-16.5, 36-4-28, and 36-4-42 of the
29 General Laws in Chapter 36-4 entitled "Merit System" are hereby amended to read as follows:

30 **36-4-2. Positions in unclassified service.** – (a) The classified service shall comprise all
31 positions in the state service now existing or hereinafter established, except the following specific
32 positions which with other positions heretofore or hereinafter specifically exempted by legislative
33 act shall constitute the unclassified service:

34 (1) Officers and legislators elected by popular vote and persons appointed to fill

1 vacancies in elective offices.

2 (2) Employees of both houses of the general assembly.

3 (3) Officers, secretaries, and employees of the office of the governor, office of the
4 lieutenant governor, department of state, department of the attorney general, and the treasury
5 department.

6 (4) Members of boards and commissions appointed by the governor, members of the state
7 board of elections and the appointees of the board, members of the commission for human rights
8 and the employees of the commission, and directors of departments.

9 (5) The following specific offices:

10 (i) In the department of administration: director, chief information officer; [chief digital](#)
11 [officer; cybersecurity officer;](#) director of office of management and budget, director of
12 performance management, deputy director, chief of staff, public information officer and
13 legislative/policy director; and within the health benefits exchange: director, deputy director,
14 administrative assistant, senior policy analyst, and chief strategic planning monitoring and
15 evaluation;

16 (ii) In the department of business regulation: director, [chief of staff, and legislative/policy](#)
17 [director;](#)

18 (iii) In the department of elementary and secondary education: commissioner of
19 elementary and secondary education;

20 (iv) In the department of higher education: commissioner of postsecondary education;

21 (v) In the department of health: director, executive director, and deputy director;

22 (vi) In the department of labor and training: director, administrative assistant,
23 administrator of the labor board and legal counsel to the labor board, executive director and
24 communications director;

25 (vii) In the department of environmental management: director, [chief of staff, chief public](#)
26 [affairs officer, and policy director;](#)

27 (viii) In the department of transportation: director, chief operating officer,
28 administrator/division of project management, administrator/division of planning, chief of staff,
29 communications director, legislative director and policy director;

30 (ix) In the department of human services: director, [deputy director, chief of staff,](#)
31 [communications/legislative director, policy director](#) and director of veterans' affairs;

32 (x) In the state properties committee: secretary;

33 (xi) In the workers' compensation court: judges, administrator, deputy administrator,
34 clerk, assistant clerk, clerk secretary;

- 1 (xii) In the division of elderly affairs: director;
- 2 (xiii) In the department of behavioral healthcare, developmental disabilities and hospitals:
3 director, [chief medical officer \(Eleanor Slater Hospital\)](#), [chief medical officer \(BHDDH\)](#), and
4 [chief community relations officer](#);
- 5 (xiv) In the department of corrections: director, assistant director (institutions/operations),
6 assistant director (rehabilitative services), assistant director (administration), [public information](#)
7 [officer](#), [chief inspector](#), and wardens;
- 8 (xv) In the department of children, youth and families: director, one assistant director,
9 one associate director, one executive director, [policy director](#), [public information officer](#) and a
10 chief of staff;
- 11 (xvi) In the public utilities commission: public utilities administrator;
- 12 (xvii) In the water resources board: general manager;
- 13 (xviii) In the human resources investment council: executive director.
- 14 (xix) In the office of health and human services: secretary of health and human services,
15 [medicaid program director](#), [communications director](#), and [policy/legislative director](#).
- 16 (xx) In the office of commerce: secretary, deputy secretary, chief of staff,
17 communications director, legislative director, and policy director.
- 18 (6) Chief of the hoisting engineers, licensing division, and his or her employees;
19 executive director of the veterans memorial building and his or her clerical employees.
- 20 (7) One confidential stenographic secretary for each director of a department and each
21 board and commission appointed by the governor.
- 22 (8) Special counsel, special prosecutors, regular and special assistants appointed by the
23 attorney general, the public defender and employees of his or her office, and members of the
24 Rhode Island bar occupying a position in the state service as legal counsel to any appointing
25 authority.
- 26 (9) The academic and/or commercial teaching staffs of all state institution schools, with
27 the exception of those institutions under the jurisdiction of the ~~board of regents for elementary~~
28 ~~and secondary education and the board of governors for higher~~ [board of](#) education.
- 29 (10) Members of the military or naval forces, when entering or while engaged in the
30 military or naval service.
- 31 (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the
32 supreme, superior, family, and district courts, the traffic tribunal, security officers of the traffic
33 tribunal, jurors and any persons appointed by any court.
- 34 (12) Election officials and employees.

1 (13) Deputy sheriffs and other employees of the sheriffs division within the department
2 of public safety.

3 (14) Patient or inmate help in state charitable, penal, and correctional institutions and
4 religious instructors of these institutions and student nurses in training, residents in psychiatry in
5 training, and clinical clerks in temporary training at the institute of mental health within the state
6 of Rhode Island medical center.

7 (15)(i) Persons employed to make or conduct a temporary and special inquiry,
8 investigation, project or examination on behalf of the legislature or a committee therefor, or on
9 behalf of any other agency of the state if the inclusion of these persons in the unclassified service
10 is approved by the personnel administrator. The personnel administrator shall notify the house
11 fiscal advisor and the senate fiscal advisor whenever he or she approves the inclusion of a person
12 in the unclassified service.

13 (ii) The duration of the appointment of a person, other than the persons enumerated in
14 this section, shall not exceed ninety (90) days or until presented to the department of
15 administration. The department of administration may extend the appointment another ninety (90)
16 days. In no event shall the appointment extend beyond one hundred eighty (180) days.

17 (16) Members of the division of state police within the department of public safety.

18 (17) Executive secretary of the Blackstone Valley district commission.

19 (18) Artist and curator of state owned art objects.

20 (19) Mental health advocate.

21 (20) Child advocate.

22 (21) The position of aquaculture coordinator and marine infrastructure specialist within
23 the coastal resources management council.

24 (22) Employees of the office of the health insurance commissioner.

25 (23) In the department of revenue: the director, secretary, attorney, [deputy director, and](#)
26 [public information officer](#).

27 (24) In the department of public safety: the director, [and public information officer](#).

28 [\(25\) In the emergency management agency: director and administrative executive officer.](#)

29 (b) Provided however that, if any position added to the unclassified service by legislative
30 act after January 1, 2015, is occupied by a classified employee on June 30, 2015, such position
31 shall remain in the classified service until such position becomes vacant.

32 **36-4-7. Probationary period in noncompetitive branch – Acquisition of full status. –**

33 [\(a\) Effective for all appointments made on or after July 1, 2016 and subject to subsection \(b\)](#)
34 [below, persons](#) ~~Persons~~ appointed to positions in the noncompetitive branch shall serve a

1 probationary period of ~~six (6)~~ twelve (12) months during which time the appointing authority
2 shall report to the personnel administrator every ~~sixty (60)~~ one hundred and twenty (120) days
3 concerning the work of the employee and at the end of the probationary period no further salary
4 or other compensation shall be paid to the employee unless the appointing authority has filed with
5 the personnel administrator a statement, in writing, that the services of the employee have been
6 satisfactory and that it is desired that his or her services be continued. The probationary period is
7 further defined to be ~~one hundred and thirty (130)~~ two hundred and fifty-one (251) days worked
8 in the non-competitive position to which the person has been appointed. Upon completion of the
9 probationary period and receipt of the statement of satisfactory service by the personnel
10 administrator and having fulfilled the requirements for character and physical condition, the
11 employee shall be deemed to have acquired full status and shall enjoy all the rights and privileges
12 of that status. Whenever a class of positions shall be assigned to the noncompetitive branch, every
13 employee holding a position in that class at the time of assignment who is a temporary employee
14 and has served in that class for ~~six (6)~~ twelve (12) months or more shall be considered to have
15 completed the required probationary period and upon receipt of a statement from his or her
16 appointing authority that his or her services have been satisfactory shall be deemed to have
17 acquired full status and shall enjoy all the rights and privileges of that status. A temporary
18 employee who has served at least ~~four (4)~~ eight (8) months but has not completed ~~six (6)~~ twelve
19 (12) months shall be deemed to have served ~~four (4)~~ eight (8) months of the required probationary
20 period and his or her appointing authority shall submit a report concerning the work of the
21 employee to the personnel administrator and shall at the end of ~~sixty (60)~~ one hundred and twenty
22 (120) days submit a final probationary report for the employee. An employee who has served at
23 least ~~two (2)~~ four (4) months but has not completed ~~four (4)~~ eight (8) months shall be deemed to
24 have served ~~two (2)~~ four (4) months of the required probationary period and his or her appointing
25 authority shall submit a report concerning the work of the employee to the personnel
26 administrator and shall subsequently submit a probationary report at the end of the next ~~sixty (60)~~
27 one hundred and twenty (120) days and a final probationary report at the end of ~~six (6)~~ twelve
28 (12) months of service.

29 (b) In the event an appointee is covered by a collective bargaining agreement that is in
30 effect on June 30, 2016, the probationary period provisions of the collective bargaining
31 agreement shall govern until the scheduled expiration date without regard to any extensions.

32 **36-4-16.2. Duties and responsibilities of the department of administration.** – (a) It is
33 the duty of the department of administration to maintain a pay plan for unclassified employees of
34 the state, including any rules and regulations that are necessary to implement and complement the

1 plan. In maintaining the pay plan, it will be the duty of the department of administration to
2 allocate all new unclassified positions to existing grades within the plan, and to review at least
3 once annually all existing unclassified positions and to reallocate those positions within the pay
4 plan as it deems proper. No new unclassified position shall be created or allocated or reallocated
5 to any grade within the plan unless state agency and department heads have been afforded the
6 opportunity to make recommendations regarding the proposed changes; provided further,
7 however that any unclassified position that has been vacant for more than twelve (12) months
8 shall be canceled and removed from the unclassified pay plan unless within that twelve (12)
9 months the person having supervisory authority over the position requests an extension, in which
10 case the department of administration may approve an extension of not more than twelve (12)
11 months; and provided further, that employees, appointing authorities, and the general public, shall
12 be afforded an opportunity at a public hearing to provide testimony, orally and in writing,
13 regarding the changes, prior to the department's submission of recommendations to the governor.
14 The agenda for the public hearing shall include a summary of the proposed changes. Hearings
15 conducted pursuant to this section shall be subject to the provisions of chapter 46 of title 42.

16 (b) The department of administration, ~~notwithstanding any provision to the contrary,~~
17 shall only have the authority to make recommendations to the governor provided however that the
18 governor may delegate his or her authority to receive, accept, modify or reject any
19 recommendations to the director of administration. The governor or the director of administration
20 through authority delegated by the governor shall approve and adopt the plan with such changes
21 as he or she may deem necessary. Following approval by the governor or the director of
22 administration through authority delegated by the governor, all unclassified pay plan changes
23 shall be included in the normal budget process in the appropriate section of the personnel
24 supplement.

25 (c) When the pay plan and regulations have been adopted they shall constitute the official
26 pay schedule for the positions in the unclassified service. Thereafter, no person in the unclassified
27 service shall be paid a salary that is greater than the maximum or less than the minimum rates
28 fixed by the approved pay plan and regulations or by amendments thereto, nor shall salary
29 adjustments for unclassified employees made by the department of administration during its
30 review exceed two (2) grades per year at the maximum of the grade; provided, however, that
31 unclassified employees shall be entitled to all monetary additives accorded other state employees,
32 including, but not limited to, longevity and incentive training awards.

33 **§ 36-4-16.5. Certain unclassified positions excluded.** – ~~Sections~~ Section 36-4-16.2 ~~and~~
34 ~~36-4-16.4~~ of this chapter shall have no application to those positions enumerated in subdivisions

1 36-4-2(1), 36-4-2(2) and 36-4-2(3), and the department of administration shall have no
2 jurisdiction over the status, tenure or salaries of those said enumerated positions.

3 **36-4-28. Probationary period.** – [\(a\) Effective for all appointments made on or after July](#)
4 [1, 2016 and subject to subsection \(b\) below, all AH](#) original appointments and promotional
5 appointments to the classified service shall be for a probationary period of ~~six (6)~~ [twelve \(12\)](#)
6 months, during which time the appointment authority shall report to the personnel administrator
7 every ~~sixty (60)~~ [one hundred and twenty \(120\)](#) days concerning the work of the employee and at
8 the expiration of the probationary period unless the appointing authority files with the personnel
9 administrator a statement in writing that the services of the employee during the probationary
10 period have not been satisfactory and that it is not desired that he or she be continued in the
11 service, he or she shall receive permanent status in this classification. Any employee may be
12 dismissed by the appointing authority during the probationary period for reasons relating to the
13 employee's qualifications or for the good of the service stated by the appointing authority in
14 writing and filed with the personnel administrator. The probationary period is further defined to
15 be ~~one hundred and thirty (130)~~ [two hundred and fifty-one \(251\)](#) days worked in the classified
16 position to which the person has been appointed.

17 [\(b\) In the event an appointee is covered by a collective bargaining agreement that is in](#)
18 [effect on June 30, 2016, the probationary period provisions of the collective bargaining](#)
19 [agreement shall govern until the scheduled expiration date without regard to any extensions.](#)

20 **36-4-42. Appeal from appointing authority to appeal board.** – Any state employee
21 with provisional, probationary, or permanent status who feels aggrieved by an action of an
22 appointing authority resulting in a demotion, suspension, layoff, or dismissal or by any personnel
23 action which an appointing authority might take which causes the person to believe that he or she
24 had been discriminated against because of his or her race, sex, age, disability, or his or her
25 political or religious beliefs, may, within thirty (30) calendar days of the mailing of the notice of
26 that action, appeal in writing to the personnel appeal board for a review or public hearing. Within
27 thirty (30) days after conclusion of the hearing the personnel appeal board shall render a decision
28 [applying the deference standard as prescribed in section 36-3-10\(c\)](#) and shall notify the affected
29 employee and other interested parties of the decision which may confirm or reduce the demotion,
30 suspension, layoff, or dismissal of the employee or may reinstate the employee and the board may
31 order payment of part or all of the salary to the employee for the period of time he or she was
32 demoted, suspended, laid off, or dismissed.

33 The decision of the board shall be final and binding upon all parties concerned, and upon
34 the finding of the personnel administrator, or upon appeal, in favor of the employee, the employee

1 shall be forthwith returned to his or her office or position without loss of compensation, seniority,
2 or any other benefits he or she may have enjoyed, or under such terms as the appeal board shall
3 determine. The employee who is returned to his or her office or position by the appeal board
4 following a review or public hearing shall be granted by the state of Rhode Island counsel fees,
5 payable to his or her representative counsel, of fifty dollars (\$50.00) for each day his or her
6 counsel is required to appear before the appeal board in the behalf of the aggrieved employee.

7 SECTION 4. Section 36-4-16.4 of the General Laws in Chapter 36-4 entitled “Merit
8 System” is hereby repealed.

9 **36-4-16.4. Salaries of directors.** ~~(a) In the month of March of each year, the
10 department of administration shall conduct a public hearing to determine salaries to be paid to
11 directors of all state executive departments for the following year, at which hearing all persons
12 shall have the opportunity to provide testimony, orally and in writing. In determining these
13 salaries, the department of administration will take into consideration the duties and
14 responsibilities of the aforementioned officers, as well as such related factors as salaries paid
15 executive positions in other states and levels of government, and in comparable positions
16 anywhere which require similar skills, experience, or training. Consideration shall also be given
17 to the amounts of salary adjustments made for other state employees during the period that pay
18 for directors was set last.~~

19 ~~(b) Each salary determined by the department of administration will be in a flat amount,
20 exclusive of such other monetary provisions as longevity, educational incentive awards, or other
21 fringe additives accorded other state employees under provisions of law, and for which directors
22 are eligible and entitled.~~

23 ~~(c) In no event will the department of administration lower the salaries of existing
24 directors during their term of office.~~

25 ~~(d) Upon determination by the department of administration, the proposed salaries of
26 directors will be referred to the general assembly by the last day in April of that year to go into
27 effect thirty (30) days hence, unless rejected by formal action of the house and the senate acting
28 concurrently within that time.~~

29 ~~(e) Notwithstanding the provisions of this section, for 2015 only, the time period for the
30 Department of Administration to conduct the public hearing shall be extended to July and the
31 proposed salaries shall be referred to the general assembly by August 30. The salaries may take
32 effect before next year, but all other provisions of this section shall apply.~~

33 SECTION 5. Sections 36-6-3 and 36-6-5 of the General Laws in Chapter 36-6 entitled
34 “Salaries and Traveling Expenses” are hereby amended to read as follows:

1 **36-6-3. Salaries of directors of state departments.** – The general officers of the state
2 shall receive such annual salaries as the general assembly may by law determine. Directors shall
3 receive such annual salaries ~~as may be from time to time established by the unclassified pay plan~~
4 ~~board which shall consist of seven (7) members as provided in § 36-4-16.~~ in the same manner as
5 employees of the office of the governor and shall be eligible to receive the same cost of living
6 raises as granted to unclassified employees of the executive branch who are not covered by a
7 collective bargaining agreement. The state controller is hereby authorized and directed to draw
8 his or her orders upon the general treasurer for the payment of such sums, or so much thereof, as
9 may be required from time to time, upon receipt by him or her of properly authenticated
10 vouchers.

11 **36-6-5. Manner of compensation prescribed by appropriation law.** – All officials and
12 employees shall be compensated in the manner provided by the annual appropriation act or as
13 may hereafter otherwise be prescribed by law. This section shall not apply ~~to the directors of the~~
14 ~~several departments of the state of Rhode Island or~~ to the general officers of the state of Rhode
15 Island whose salaries shall be fixed by the general assembly.

16 SECTION 6. Section 36-12-1 of the General Laws in Chapter 36-12 entitled “Insurance
17 Benefits” is hereby amended to read as follows:

18 **36-12-1. Definitions.** – The following words, as used in §§ 36-12-1 – 36-12-14, shall
19 have the following meanings:

- 20 (1) "Employer", means the state of Rhode Island.
- 21 (2) "Employee", means all persons who are classified employees as the term "classified
22 employee" is defined under § 36-3-3, and all persons in the unclassified and non-classified
23 service of the state; provided, however, that the following shall not be included as "employees"
24 under §§ 36-12-1 – 36-12-14:
- 25 (i) Part-time personnel whose work week is less than twenty (20) hours a week and
26 limited period and seasonal personnel;
- 27 (ii) Members of the general assembly, its clerks, doorkeepers, and pages.
- 28 (3) "Dependents" means an employee's spouse, domestic partner and unmarried children
29 under nineteen (19) years of age. Domestic partners shall certify by affidavit to the benefits
30 director of the division of personnel that the (i) partners are at least eighteen (18) years of age and
31 are mentally competent to contract, (ii) partners are not married to anyone, (iii) partners are not
32 related by blood to a degree which would prohibit marriage in the state of Rhode Island, (iv)
33 partners reside together and have resided together for at least one year, (v) partners are financially
34 interdependent as evidenced by at least two (2) of the following: (A) domestic partnership

1 agreement or relationship contract; (B) joint mortgage or joint ownership of primary residence,
2 (C) two (2) of: (I) joint ownership of motor vehicle; (II) joint checking account; (III) joint credit
3 account; (IV) joint lease; and/or (D) the domestic partner has been designated as a beneficiary for
4 the employee's will, retirement contract or life insurance. Misrepresentation of information in the
5 affidavit will result in an obligation to repay the benefits received, and a civil fine not to exceed
6 one thousand dollars (\$1000) enforceable by the attorney general and payable to the general fund.
7 The employee will notify the benefits director of the division of personnel by completion of a
8 form prescribed by the benefits director when the domestic partnership ends.

9 (4) "Retired employee", means all persons retired from the active service of the state,
10 who, immediately prior to retirement, were employees of the state as determined by the
11 retirement board under § 36-8-1, and also all retired teachers who have elected to come under the
12 employees' retirement system of the state of Rhode Island.

13 (5) "State retiree", means all persons retired from the active service of the state who,
14 immediately prior to retirement, were employees of the state as determined by the retirement
15 board under § 36-8-1.

16 (6) "Teacher retiree", means all retired teachers who have elected to come under the
17 employees' retirement system of the state of Rhode Island.

18 (7) "Long-term health care insurance", means any insurance policy or rider advertised,
19 marketed, offered, or designed to provide coverage for not less than twelve (12) consecutive
20 months for each covered person on an expense incurred, indemnity, prepaid, or other basis for
21 one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative,
22 maintenance, or personal care services, provided in a setting other than an acute care unit of a
23 hospital. The term includes: group and individual policies or riders whether issued by insurers,
24 fraternal benefit societies, nonprofit health, hospital, and medical service corporations; prepaid
25 health plans, health maintenance organizations; or any similar organization. Long-term health
26 care insurance shall not include: any insurance policy which is offered primarily to provide basic
27 medicare supplement coverage; basic hospital expense coverage; basic medical-surgical expense
28 coverage; hospital confinement indemnity coverage; major medical expense coverage; disability
29 income protection coverage; accident only coverage; specified disease or specified accident
30 coverage; or limited benefit health coverage. This list of excluded coverages is illustrative and is
31 not intended to be all inclusive.

32 (8) "Non-Medicare-eligible retiree health care insurance", means the health benefit
33 employees who retire from active service of the state (subsequent to July 1, 1989), who
34 immediately prior to retirement were employees of the state as determined by the retirement

1 board pursuant to § 36-8-1, shall be entitled to receive until attaining Medicare eligibility. ~~This~~
2 ~~health care insurance shall be equal to semi-private hospital care, surgical/medical care and major~~
3 ~~medical with a one hundred seventy five dollar (\$175) calendar year deductible.~~ The
4 aforementioned program will be provided on a shared basis in accordance with § 36-12-4.

5 (9) "Medicare-eligible retiree health care insurance", means the health benefit employees
6 who retire from active service of the state (subsequent to July 1, 1989), who immediately prior to
7 retirement were employees of the state as determined by the retirement board pursuant to § 36-8-
8 1, shall have access to when eligible for Medicare. This health care insurance shall include plans
9 providing hospital care, surgical/medical services, rights and benefits which, when taken together
10 with their federal Medicare program benefits, 42 U.S.C. § 1305 et seq., shall be comparable to
11 those provided for retirees prior to the attainment of Medicare eligibility.

12 (10) "Health reimbursement arrangement", or "HRA" means an account that:

13 (i) Is paid for and funded solely by state contributions;

14 (ii) Reimburses a Medicare-eligible state retiree for medical care expenses as defined in §
15 213(d) of the Internal Revenue Code of 1986, as amended, which includes reimbursements for
16 health care insurance premiums;

17 (iii) Provides reimbursements up to a maximum dollar amount for a coverage period; and

18 (iv) Provides that any unused portion of the maximum dollar amount at the end of a
19 coverage period is carried forward to increase the maximum reimbursement amount in
20 subsequent coverage periods.

21 SECTION 7. Chapter 36-12 of the General Laws entitled "Insurance Benefits" is hereby
22 amended by adding thereto the following section:

23 **36-12-4.2. Retiree Health Insurance Cash Payment Option.** – (a)Notwithstanding any
24 other provision of the law to the contrary, any retired employee who is receiving state health
25 insurance coverage under this chapter may opt to receive a cash payment in lieu of his or her state
26 health insurance coverage provided the retiree has other non-state health insurance coverage and
27 the director of administration has approved the cash payment. Any waiver of health insurance
28 coverage under this section must be for a defined period of time not to exceed twelve months
29 provided that there shall be no limit to the number of times a retiree may opt to waive his or her
30 state health insurance coverage in accordance with the provisions of this section.

31 (b) The director of administration is hereby authorized and empowered to adopt and
32 prescribe rules of procedure and regulations, and from time to time amend, change, and eliminate
33 rules and regulations for the purposes of administering the provisions of this section. Any such
34 rules and regulations shall be promulgated in accordance with chapter 35 of title 42.

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

2 **ARTICLE 4**

3 **RELATING TO GOVERNMENT ORGANIZATION**

4 SECTION 1. Sections 28-5.1-2, 28-5.1-3.1 and 28-5.1-5 of the General Laws in Chapter
5 28-5.1 entitled "Equal Opportunity and Affirmative Action" are hereby amended to read as
6 follows:

7 **28-5.1-2. State equal opportunity office.** – (a) There shall be a state equal opportunity
8 office. This office, under the direct administrative supervision of the ~~director of~~
9 ~~administration/human resources,~~ office of diversity, equity and opportunity, shall report to the
10 governor and to the general assembly on state equal opportunity programs. The state equal
11 opportunity office shall be responsible for assuring compliance with the requirements of all
12 federal agencies for equal opportunity and shall provide training and technical assistance as may
13 be requested by any company doing business in Rhode Island and all state departments as is
14 necessary to comply with the intent of this chapter.

15 (b) The state equal opportunity office shall issue any guidelines, directives or instructions
16 that are necessary to effectuate its responsibilities under this chapter, and is authorized to
17 investigate possible discrimination, hold hearings, and direct corrective action to the
18 discrimination.

19 **28-5.1-3.1. Appointments to state boards, commissions, public authorities, and**
20 **quasi-public corporation.** – (a) The general assembly finds that, as a matter of public policy, the
21 effectiveness of each appointed state board, commission, and the governing body of each public
22 authority and quasi-public corporation is enhanced when it reflects the diversity, including the
23 racial and gender composition, of Rhode Island's population. Consequently, each person
24 responsible for appointing one or more individuals to serve on any board or commission or to the
25 governing body of any public authority or board shall endeavor to assure that, to the fullest extent
26 possible, the composition of the board, commission, or governing body reflects the diversity of
27 Rhode Island's population.

28 (b) During the month of January in each year the boards, agencies, commissions, or
29 authorities are requested to file with the state equal opportunity office a list of its members,
30 designating their race, gender, and date of appointment.

31 (c) Of the candidates considered for appointment by the governor and the general
32 assembly, the governor and the general assembly shall give due consideration to
33 recommendations made by representatives of Rhode Island's minority community based
34 organizations. ~~through the Rhode Island Affirmative Action Professionals (RIAAP).~~ The human

1 resources outreach and diversity office shall act as the ~~RIAAP's~~ liaison with state government and
2 shall forward the recommendations to appointing authorities.

3 (d) The appointing authority, in consultation with the equal employment opportunity
4 administrator and the human resources outreach and diversity administrator within the department
5 of administration, shall annually conduct a utilization analysis of appointments to state boards,
6 commissions, public authorities and quasi-public corporations based upon the annual review
7 conducted pursuant to § 28-5.1-3.

8 (e) The equal employment opportunity administrator shall report the results of the
9 analysis to the Rhode Island commission for human rights and to the general assembly by or on
10 January 31 and July 31 of each year consistent with § 28-5.1-17. The report shall be a public
11 record and shall be made available electronically on the secretary of state's website.

12 **28-5.1-5. Personnel administration.** – (a)(1) The office of personnel administration of
13 the department of administration, in consultation with the office of diversity, equity and
14 opportunity, shall prepare a comprehensive plan indicating the appropriate steps necessary to
15 maintain and secure the equal opportunity responsibility and commitment of that division. The
16 plan shall set forth attainable goals and target dates based upon a utilization study for
17 achievement of the goals, together with operational assignment for each element of the plan to
18 assure measurable progress.

19 (2) The office of personnel administration shall:

20 (i) Take positive steps to insure that the entire examination and testing process, including
21 the development of job specifications and employment qualifications, is free from either
22 conscious or inadvertent bias, and

23 (ii) Review all recruitment procedures for all state agencies covered by this chapter for
24 compliance with federal and state law, and bring to the attention of the equal opportunity
25 administrator matters of concern to its jurisdiction.

26 (3) The division of budget shall indicate in the annual personnel supplement progress
27 made toward the achievement of equal employment goals.

28 (4) The division of purchases shall cooperate in administering the state contract
29 compliance programs.

30 (5) The division of statewide planning shall cooperate in assuring compliance from all
31 recipients of federal grants.

32 (b) The office of labor relations shall propose in negotiations the inclusion of affirmative
33 action language suitable to the need for attaining and maintaining a diverse workforce.

34 (c) There is created a ~~five (5)~~ six (6) member committee which shall monitor negotiations

1 with all collective bargaining units within state government specifically for equal opportunity and
2 affirmative action interests. The members of that committee shall include the director of the
3 Rhode Island commission for human rights, [the associate director of the office of diversity, equity](#)
4 [and opportunity](#), the equal opportunity administrator, the personnel administrator, one member of
5 the house of representatives appointed by the speaker, and one member of the senate appointed by
6 the president of the senate.

7 SECTION 2. Chapter 42-11 of the General Laws entitled “Department of
8 Administration” is hereby amended by adding thereto the following section:

9 **42-11-2.7. Office of diversity, equity and opportunity established.** – (a) [The office of](#)
10 [diversity, equity and opportunity \(ODEO\) shall be established as a division within the department](#)
11 [of administration. The purpose of the office shall be to ensure non-discrimination, diversity,](#)
12 [equity, and equal opportunity in all aspects of state government, including, but not limited to,](#)
13 [employment, procurement, policy and practices relative to state programs, services, and activities.](#)

14 [\(b\) The head of this division shall be known as the associate director of ODEO who shall](#)
15 [be appointed by the director of administration in the classified service of the state and shall be](#)
16 [responsible to and report to the director. The associate director of ODEO shall oversee the ODEO](#)
17 [in all aspects, including, but not limited to, coordination of the provisions of chapter 37-14.1](#)
18 [\(minority business enterprise\) and chapter 28-5.1 \(equal opportunity and affirmative action\)](#)
19 [wherein the ODEO shall have direct administrative supervision of the state’s equal opportunity](#)
20 [office.](#)

21 [\(c\) ODEO shall have the following duties and responsibilities:](#)

22 [\(1\) Develop, administer, implement, and maintain a statewide diversity plan and](#)
23 [program, including an equity, equal opportunity, minority business enterprise, and supplier](#)
24 [diversity program, as well as other related plans and programs within the office;](#)

25 [\(2\) Provide leadership in the development and coordination of recruitment and retention](#)
26 [activities in order to promote diversity and encourage the use of bias-free methods and practices](#)
27 [in the hiring process, performance reviews, and promotions, and to ensure compliance with](#)
28 [applicable federal and state laws, rules, regulations, and policies;](#)

29 [\(3\) Support the growth and development of the state’s minority business enterprise](#)
30 [program by engaging in concerted outreach programs to build relationships, maintaining effective](#)
31 [programs to promote minority business enterprise utilization and facilitating minority business](#)
32 [enterprise in State procurement activities;](#)

33 [\(4\) Develop, coordinate and oversee the recruitment, selection, and retention efforts and](#)
34 [initiatives to promote and achieve the state’s diversity goals and objectives, developing and](#)

1 recommending recruitment strategies, and assisting with special recruitment efforts directed
2 toward ethnic minorities, women and other underrepresented groups; and

3 (5) Provide leadership in advancing management’s understanding, capacity and
4 accountability for embedding diversity and equity in employment and human resource
5 management practices as an integral part of the state’s employment opportunities.

6 (c) The director of administration may promulgate rules and regulations recommended by
7 the associate director in order to effectuate the purposes and requirements of this act.

8 SECTION 3. Sections 29-3.1-1 and 29-3.1-7 of the General Laws in Chapter 29-3.1
9 entitled “Office of Library and Information Services” are hereby amended to read as follows:

10 **29-3.1-1. Office of library and information services.** – Within the department of
11 administration, division of enterprise technology strategy and services, there shall be an office of
12 library and information services under the direction of a chief of library services who shall be
13 appointed by the director of administration and supervised by the chief digital information officer.

14 The office is hereby empowered to cooperate with the institute of museum and library services of
15 the United States of America in the carrying out of the purposes of any and all acts of congress
16 for the benefit of library and information services within this state. The office is hereby
17 designated as the agency for the administration of any plan or plans heretofore or hereafter
18 formulated in conformity with any act or acts of congress and is authorized to administer any
19 such plan or plans and to enter into such agreements with the institute of museum and library
20 services of the United States of America as may be from time to time required under this chapter
21 or any acts or act of congress, and from time to time amend any plan or plans, except any plan, or
22 plans, or agreements, formulated or entered into or to be administered by the board of regents,
23 board of governors, or the secretary of state.

24 **29-3.1-7. Duties of chief of library services.** – The chief of library services officer shall
25 be the executive and administrative officer in charge of the office of library and information
26 services. The chief of library services shall be in a classified position of service, shall be
27 appointed by the director of administration and shall report to the chief digital officer. ~~The~~
28 ~~position of chief information officer shall be in the unclassified service of the state.~~ The chief of
29 library services shall serve as the chief executive officer of the library board. The chief of library
30 services shall also carry out the duties required by this chapter and by chapters 5 and 6 of this
31 title. In addition to the general supervision of the office of library and information services and
32 the appointment of the several officers and employees of the office, it shall be the duty of the
33 chief of library services:

34 (1) To develop a systematic program of information gathering, processing, and analysis

1 addressed to every aspect of public library development and interlibrary cooperation and resource
2 sharing in this state, especially as that information relates to current and future library and
3 information service needs, so that current needs may be met with reasonable promptness and
4 plans formulated to meet future needs as they arise in the most efficient and economical manner
5 possible;

6 (2) To develop a master plan defining board goals and objectives for public library
7 development and interlibrary cooperation and resource sharing in the state. These goals and
8 objectives shall be expressed in terms of the library and information services to which individuals
9 will have access;

10 (3) To communicate with and seek the advice of those concerned with and affected by the
11 library board's determinations;

12 (4) To develop and implement board policy as it pertains to the goals and objectives
13 approved by the library board from time to time;

14 (5) To enforce standards and to exercise general supervision over interlibrary
15 cooperation and resource sharing in the state;

16 (6) To develop annually the program for the use of federal funds that is submitted to the
17 United States institute of museum and library services;

18 (7) To supervise the operation of the office of library and information services as defined
19 elsewhere in this title and such other additional duties and responsibilities as may be assigned by
20 the library board from time to time; and

21 (8) To supervise the following functions:

22 (i) To distribute state funds for public library development and interlibrary cooperation
23 and resource sharing in accordance with law and regulations of the library board;

24 (ii) To develop standards and regulations for public library development and interlibrary
25 cooperation and resource sharing;

26 (iii) To certify that public library standards and services are in accordance with law and
27 regulations of the library board;

28 (iv) To require the observance of all laws relating to public library services and
29 interlibrary cooperation and resource sharing;

30 (v) To interpret library law;

31 (vi) To give assistance, advice, and counsel to public libraries and to participants in
32 interlibrary cooperation and resource sharing activities;

33 (vii) To require that information and statistics necessary to do the work of the office of
34 library and information services be collected, to publish findings and reports thereon;

1 (viii) To provide eligible persons who are impaired, blind, reading impaired and/or
2 physically impaired with library services through the talking books plus, in cooperation with the
3 library of congress national library service for the blind and physically handicapped;

4 (ix) To cooperate with the commissioner of elementary and secondary education in
5 supporting and encouraging effective school library media services and their integration into
6 statewide library networking activities;

7 (x) To cooperate with the state librarian and the state law librarian in strengthening
8 services to library users;

9 (xi) To cooperate with the commissioner of higher education in supporting and
10 encouraging effective library services through the state system of higher education; and

11 (xii) To coordinate with all other state departments and agencies in the provision of
12 library services to state government and to the public.

13 SECTION 4. Section 42-11-2.6 of the General Laws in Chapter 42-11 entitled
14 "Department of Administration" is hereby amended to read as follows:

15 **42-11-2.6. Office of Digital Excellence established.** – (a) Within the department,
16 division of enterprise technology strategy and services. there shall be established the Office of
17 Digital Excellence. The purposes of the office shall be to move ~~RI~~ Rhode Island state government
18 into the 21st century through the incorporation of innovation and modern digital capabilities
19 throughout state government and to leverage technology to expand and improve the quality of
20 services provided to ~~RI~~ Rhode Island citizens, to promote greater access to government and the
21 internet throughout cities and towns, and to position Rhode Island as a national leader in e-
22 government.

23 (b) Within the office there shall be a chief digital officer who shall be appointed by the
24 director of administration with the approval of the governor and who shall be in the unclassified
25 service. The chief digital officer shall report to the director of administration and be required to:

26 (1) Manage the implementation of all new and mission critical technology infrastructure
27 projects and upgrades for state agencies. The division of ~~information technology~~ enterprise
28 technology strategy and services established pursuant to ~~executive order 04-06~~ § 42-11-2.7 shall
29 continue to manage and support all day-to-day operations of the state's technology infrastructure,
30 telecommunications, and associated applications;

31 (2) Increase the number of government services that can be provided online in order to
32 allow residents and businesses to complete transactions in a more efficient and transparent
33 manner;

34 (3) Improve the state's websites to provide timely information to online users and as

1 many government services as possible online; and

2 (4) Establish, improve and enhance the state's use of social media and mobile
3 technological applications.

4 (c) The office shall coordinate its efforts with the division of ~~information technology~~
5 enterprise technology strategy and services in order to plan, allocate and implement projects
6 supported by the information technology investment fund established pursuant to § 42-11-2.5.

7 (d) All intellectual property created as a result of work undertaken by employees of the
8 office shall remain the property of the state of Rhode Island and Providence Plantations. Any
9 patents applied for shall be in the name of the state.

10 (e) The director of administration may promulgate rules and regulations recommended by
11 the chief digital officer in order to effectuate the purposes and requirements of this act.

12 (f) The chief digital officer shall report no later than January 31, 2013 and every January
13 31 thereafter to the governor, the speaker of the house of representatives and the senate president
14 regarding the implementation status of all technology infrastructure projects, website
15 improvements, number of e-government transactions and revenues generated, projects supported
16 by the information technology investment fund and all other activities undertaken by the office.
17 The annual report shall be posted on the office's website.

18 SECTION 5. Chapter 42-11 of the General Laws entitled "Department of
19 Administration" is hereby amended by adding thereto the following section:

20 **42-11-2.7. Division of enterprise technology strategy and service established.**– (a)
21 Established. Within the department there shall be established the division of enterprise
22 technology strategy and service (ETSS), which shall include the office of information technology,
23 the office of digital excellence (ODE), and the office of library and information services (OLIS).
24 Within ETSS, there shall be a chief digital officer in the unclassified service who shall oversee
25 and manage the division and shall be appointed by the director of administration. Any prior
26 reference in statute to the division of information technology shall now mean ETSS. The chief
27 digital officer shall supervise the state's chief information officer, chief technology officer, chief
28 information security officer, the directors of information technology and all associated
29 employees. The chief digital officer may promulgate rules and regulations in order to effectuate
30 the purposes and requirements of this act.

31 (b) Purposes; duties. The purposes of ETSS shall be to align existing and future
32 technology platforms, along with technical expertise across the agencies of the executive branch.
33 ETSS shall be responsible for managing and consolidating the strategy and budgets of the
34 division, including the office of information technology, the office of library and information

1 services and the office of digital excellence, and the information technology investment fund. The
2 focus of ETSS will be to lead the strategic technology decisions and efforts across all of the
3 executive branch state agencies, identify opportunities to implement technology solutions across
4 state agencies to prevent duplication of systems and effort, as well as effectively support these
5 solutions in an efficient manner. ETSS shall have the following duties:

6 (1) Manage the implementation of all new and mission critical technology infrastructure
7 projects and upgrades for state agencies. The office of information technology, under ETSS, shall
8 manage and support all day-to-day operations of the state's technology infrastructure,
9 telecommunications, and associated applications;

10 (2) Manage the office of digital excellence in order to ensure that large scale technology
11 projects are delivered in a timely manner in accordance with accepted best industry practices;

12 (3) To oversee the chief of library services and the office of library and information
13 services to ensure that this office fulfills its statutory duties in an effective manner;

14 (4) Coordinate efforts with the director of administration in order to plan, allocate and
15 implement projects supported by the information technology investment fund established
16 pursuant to § 42-11-2.5.

17 (5) Supervise all intellectual property created as a result of work undertaken by
18 employees of ETSS to ensure that ownership of this intellectual property remains with the state.
19 Any patents applied for shall be in the name of the state.

20 (c) Reporting. The chief digital officer shall report no later than January 31st to the
21 governor, the speaker of the house of representatives and the senate president regarding the
22 implementation status of all technology infrastructure projects, website improvements, number of
23 e-government transactions and revenues generated, projects supported by the information
24 technology investment fund and all other activities undertaken by the division. The annual report
25 shall be posted on the ETSS website.

26 SECTION 6. Chapter 42-11 of the General Laws entitled "Department of
27 Administration" is hereby amended by adding thereto the following section:

28 **42-11-2.8. Division of capital asset management and maintenance established.-- (a)**
29 Establishment. Within the department of administration there shall be established the division of
30 capital asset management and maintenance ("DCAMM"). Any prior references to the division of
31 facilities management and/or capital projects, if any, shall now mean DCAMM. Within the
32 DCAMM there shall be a director of DCAMM who shall be in the classified service and shall
33 appointed by the director of administration. The director of DCAMM shall have the following
34 responsibilities:

1 (1) Oversee, coordinate, and manage the operating budget, personnel and functions of
2 DCAMM in carrying out the duties described below;

3 (2) Review agency capital budget requests to ensure that the request is consistent with
4 strategic and master facility plans for the state of Rhode Island.

5 (3) Promulgate and adopt regulations necessary to carry out the purposes of this section.

6 (b) Purpose. The purpose of the DCAMM shall be to manage and maintain state property
7 and state owned facilities in a manner that meets the highest standards of health, safety, security,
8 accessibility, energy efficiency and comfort for citizens and state employees and ensures
9 appropriate and timely investments are made for state property and facility maintenance.

10 (c) Duties and Responsibilities of DCAMM. DCAMM shall have the following duties and
11 responsibilities:

12 (1) To oversee all new construction and rehabilitation projects on state property, not
13 including property otherwise assigned outside of the executive department by Rhode Island
14 general laws or under the control and supervision of the judicial branch;

15 (2) To assist the department of administration in fulfilling any and all capital asset and
16 maintenance related statutory duties assigned to the department under chapter 37-8 (public
17 buildings) or any other provision of law, including, but not limited to the following statutory
18 duties provided in § 42-11-2:

19 (i) To maintain, equip, and keep in repair the state house, state office buildings, and other
20 premises owned or rented by the state for the use of any department or agency, excepting those
21 buildings, the control of which is vested by law in some other agency;

22 (ii) To provide for the periodic inspection, appraisal or inventory of all state buildings
23 and property, real and personal;

24 (iii) To require reports from state agencies on the buildings and property in their custody;

25 (iv) To issue regulations to govern the protection and custody of the property of the state;

26 (v) To assign office and storage space and to rent and lease land and buildings for the use
27 of the several state departments and agencies in the manner provided by law;

28 (vi) To control and supervise the acquisition, operation, maintenance, repair, and
29 replacement of state-owned motor vehicles by state agencies;

30 (3) To generally manage, oversee, protect and care for the state's properties and facilities
31 not otherwise assigned by Rhode Island general laws, including, but not limited to the following
32 duties:

33 (i) Space management, procurement, usage and/or leasing of private or public space;

34 (ii) Care, maintenance, cleaning and contracting for such services as necessary for state

- 1 property:
- 2 (iii) Capital equipment replacement;
- 3 (iv) Security of state property and facilities unless otherwise provided by law;
- 4 (v) Ensuring Americans with Disabilities Act (ADA) compliance;
- 5 (vi) Responding to facilities emergencies;
- 6 (vii) Managing traffic flow on state property;
- 7 (viii) Grounds keeping/landscaping/snow removal services;
- 8 (ix) Maintenance and protection of artwork and historic artifacts
- 9 (4) To manage and oversee state fleet operations
- 10 (d) All state agencies shall participate in a statewide database and/or information system
- 11 for capital assets, which shall be established and maintained by DCAMM.
- 12 (e) Offices and boards assigned to DCAMM. DCAMM shall oversee the following
- 13 boards, offices and functions:
- 14 (1) Office of planning, design, and construction (PDC);
- 15 (2) Office of facilities management and maintenance (OFMM);
- 16 (3) Contractors' registration and licensing board (§ 5-35-1 et seq.);
- 17 (4) State building code (§ 23-27.3-1 et seq.)
- 18 (5) Office of risk management (§ 37-11-1 et seq.)
- 19 (6) Fire safety code board of appeal and review (§ 23-28.3-1 et seq.)
- 20 (7) Office of state fleet operations (§ 42-11-2.4(d))
- 21 (f) The boards, offices and functions assigned to DCAMM shall:
- 22 (1) Exercise their respective powers and duties in accordance with their statutory
- 23 authority and the general policy established by the director of DCAMM or in accordance with the
- 24 powers and authorities conferred upon the director of DCAMM by this section;
- 25 (2) Provide such assistance or resources as may be requested or required by the director
- 26 of DCAMM or the director of administration;
- 27 (3) Provide such records and information as may be requested or required by the director
- 28 of DCAMM or the director of administration; and,
- 29 (4) Except as provided herein, no provision of this chapter or application thereof shall be
- 30 construed to limit or otherwise restrict the offices stated above from fulfilling any statutory
- 31 requirement or complying with any valid rule or regulation.

32 SECTION 7. Sections 35-1.1-2 and 35-1.1-4 of the General Laws in Chapter 35-1.1

33 entitled "Office of Management and Budget" are hereby amended to read as follows:

34 **35-1.1-2. Establishment of the office of management and budget.** – There is hereby

1 established within the department of administration an office of management and budget. This
2 office shall serve as the principal agency of the executive branch of state government for
3 managing budgetary functions, performance management, [internal audit](#) and federal grants
4 management. In this capacity, the office shall:

5 (1) Establish an in-depth form of data analysis within and between departments and
6 agencies, creating a more informed process for resource allocation to best meet the needs of
7 Rhode Island citizens;

8 (2) Identify federal grant funding opportunities to support the Governor's and General
9 Assembly's major policy initiatives and provide technical assistance with the application process
10 and post-award grants management;

11 (3) Analyze federal budgetary issues and report on potential impacts to the state;

12 (4) Coordinate the budget functions of the state with performance management
13 objectives;

14 (5) Maximize efficiencies in departments, agencies, advisory councils and
15 instrumentalities of the State by improving processes and prioritizing programs;

16 (6) ~~Upon the written request of the governor, the director of the department of~~
17 ~~administration, or the director of the office of management and budget, the office shall conduct~~
18 ~~audits, provide management advisory and consulting services, or conduct investigations relative~~
19 ~~to the financial affairs or the efficiency of management, or both, of any state department or~~
20 ~~agency. The office may from time to time make such investigations and additional reports to the~~
21 ~~governor, the director of the department of administration or the director of the office of~~
22 ~~management and budget shall deem necessary or advisable. [Be responsible for the internal audit](#)~~
23 ~~[function of state government and conduct audits of any state department, state agency, or private](#)~~
24 ~~[entity that is a recipient of state funding or state grants; provide management advisory and](#)~~
25 ~~[consulting services; or conduct investigations relative to the financial affairs or the efficiency of](#)~~
26 ~~[management, or both, of any state department or agency.](#)~~

27 **35-1.1-4. Offices and functions assigned to the office of management and budget –**
28 **Powers and duties.** – (a) The offices assigned to the office of management and budget include
29 the budget office, the performance management office, [office of internal audit](#) and the federal
30 grants management office.

31 (b) The offices assigned to the office of management and budget shall:

32 (1) Exercise their respective powers and duties in accordance with their statutory
33 authority and the general policy established by the governor or by the director acting on behalf of
34 the governor or in accordance with the powers and authorities conferred upon the director by this

1 chapter;

2 (2) Provide such assistance or resources as may be requested or required by the governor
3 and/or the director;

4 (3) Provide such records and information as may be requested or required by the
5 governor and/or the director, to the extent allowed under the provisions of any applicable general
6 or public law, regulation, or agreement relating to the confidentiality, privacy or disclosure of
7 such records or information; and,

8 (c) Except as provided herein, no provision of this chapter or application thereof shall be
9 construed to limit or otherwise restrict the budget officer from fulfilling any statutory requirement
10 or complying with any valid rule or regulation.

11 SECTION 8. Sections 35-7-1, 35-7-3, 35-7-3.1, 35-7-5, 35-7-5.1, 35-5-7 of the General
12 Laws in Chapter 35-7 entitled "Post Audit of Accounts" are hereby repealed.

13 ~~35-7-1. Bureau of audits. The director of administration shall create a bureau of audits
14 which shall conduct all audits required by any department.~~

15 ~~35-7-3. Audits performed by the bureau of audits. (a) The bureau of audits is
16 authorized to conduct audits of any state department, state agency, or private entity that is a
17 recipient of state funding or state grants. As deemed necessary or expedient by the bureau of
18 audits, audits may be made relative to the financial affairs or the economy and efficiency of
19 management of each department and agency. The bureau of audits shall determine which such
20 audits shall be performed in accordance with a risk-based evaluation. Unless there is an issue of
21 misappropriation, the provisions of this section shall not apply to non-profit organizations.~~

22 ~~(b) Within twenty (20) days following the date of the issuance of the final audit report,
23 the head of the department, agency or private entity audited shall respond in writing to each
24 recommendation made in the final audit report. This response shall address the department's,
25 agency's or private entity's plan of implementation for each specific audit recommendation and, if
26 applicable, the reasons for disagreement with any recommendation proposed in the audit report.
27 Within one year following the date on which the audit report was issued, the bureau of audits may
28 perform a follow-up audit for the purpose of determining whether the department, agency or
29 private entity has implemented, in an efficient and effective manner, its plan of action for the
30 recommendations proposed in the audit report.~~

31 ~~(c) The bureau of audits shall maintain a full record of each audit. In the event that
32 information gathered as a result of an audit indicates that criminal activity may have occurred, the
33 chief of the bureau of audits may provide such information to a state or federal law enforcement
34 agency. For any such information that is otherwise exempt from public disclosure under the~~

1 ~~provisions of Rhode Island general law § 38-2-1 et seq., the provision of such information to a~~
2 ~~law enforcement agency shall not therefore require that this information be further disclosed.~~

3 ~~(d) Copies of each audit report, the written response to the audit report, and the results of~~
4 ~~each follow up audit as described in subsection (b) above shall be submitted to the chairpersons~~
5 ~~of the house finance committee and the senate finance committee.~~

6 ~~**35-7-3.1. Cost of forensic examinations.**—When it is determined by the bureau of~~
7 ~~audits that an audit is necessary because there is sufficient evidence to believe that there may~~
8 ~~have been fiscal impropriety, wrongdoing or fiscal mismanagement by any employee, board~~
9 ~~member, or commissioner of any state agency or authority as defined in § 42-35-1, the bureau of~~
10 ~~audits may conduct a forensic examination of such entity. All costs associated with the forensic~~
11 ~~examination shall be paid, as deemed appropriate, either by the examined entity or by an~~
12 ~~appropriation proposed by the governor and enacted by the general assembly. Such costs shall~~
13 ~~include, but not be limited to, the following expenses:~~

14 ~~(1) One hundred percent (100%) of the total salaries and benefits paid to the examining~~
15 ~~personnel of the bureau of audits engaged in those examinations;~~

16 ~~(2) All costs associated with the procurement of a forensic consultant;~~

17 ~~(3) All costs associated with a consultant that provides expertise pertinent to the~~
18 ~~examinee's operations;~~

19 ~~(4) All reasonable technology costs related to the forensic examination process.~~
20 ~~Technology costs shall include the actual cost of software and hardware utilized in the~~
21 ~~examination process and the cost of training examination personnel in the proper use of the~~
22 ~~software hardware.~~

23 ~~**35-7-5. Investigations or management advisory and consulting services upon request**~~
24 ~~**of governor or general assembly.**—The bureau of audits shall, upon the written request of the~~
25 ~~governor, the director of the department of administration, or of either branch of the general~~
26 ~~assembly, conduct audits, provide management advisory and consulting services, or conduct~~
27 ~~investigations relative to the financial affairs or the economy and efficiency of management, or~~
28 ~~both, of any state department or agency. The bureau of audits may from time to time make such~~
29 ~~investigations and additional reports to the governor, the director of the department of~~
30 ~~administration, and the general assembly as the chief of the bureau shall deem necessary or~~
31 ~~advisable.~~

32 ~~**35-7-5.1. Management advisory and consulting services provided to state agencies**~~
33 ~~**and departments.**—When requested in writing by the head of a state department or agency to the~~
34 ~~director of administration, the bureau of audits may provide management advisory or consulting~~

1 ~~services to the department or agency. Any such request must include the scope of services~~
2 ~~requested and a schedule for the work to be performed.~~

3 ~~**35-7-7. Persons authorized to conduct audits—Reports of irregularities.** Any~~
4 ~~qualified person duly authorized by the director of administration to act as auditor may examine~~
5 ~~the books, papers, and documents of any department, or of the clerk of any court or office of the~~
6 ~~state having control of funds, and if the audit discloses any irregularities or improper handling of~~
7 ~~records or funds, the auditor shall report the same to the director, who shall report to the governor~~
8 ~~with his or her recommendations.~~

9 SECTION 9. Section 35-7-15 of the General Laws in Chapter 35-7 entitled “Post Audit
10 of Accounts” is hereby amended to read as follows:

11 **35-7-15. Audit of information security systems.** – (a) The general assembly recognizes
12 that the security of government computer systems is essential to ensuring the stability and
13 integrity of vital information gathered and stored by the government for the benefit of the
14 citizenry and the breach of security over computer systems presents a risk to the health, safety,
15 and welfare of the public. It is the intent of the legislature to ensure that government computer
16 systems and information residing on these systems are protected from unauthorized access,
17 compromise, sabotage, hacking, viruses, destruction, illegal use, cyber-attack, or any other act
18 that might jeopardize or harm the computer systems and the information stored on them.

19 (b) In conjunction with the powers and duties outlined in this chapter, the ~~bureau of~~
20 ~~audits~~ office of internal audit may conduct reviews and assessments of the various government
21 computer systems and the security systems established to safeguard these computer systems.
22 Computer systems subject to this section shall include systems that pertain to federal, state, or
23 local programs, and quasi-governmental bodies, and the computer systems of any entity or
24 program that is subject to audit by the ~~bureau of audits~~ office of internal audit. The ~~bureau of~~
25 ~~audit's~~ office of internal audit's review may include an assessment of system vulnerability,
26 network penetration, potential security breaches, and susceptibility to cyber attack and cyber
27 fraud.

28 (c) The ~~bureau of audit's~~ office of internal audit's findings shall be deemed public records
29 and available for public inspection; provided, however, in the event the review indicates a
30 computer system is vulnerable, or security over the system is otherwise deficient, reasonably
31 segregable portions of the findings shall be subject to public inspection after the redaction of any
32 information the disclosure of which would endanger the security of the system or reveal the
33 specific nature of the vulnerabilities found. Notwithstanding any other provision of law to the
34 contrary, the work papers developed in connection with the review of computer systems and the

1 security over those systems authorized by this section shall not be deemed public records and are
2 not subject to disclosure.

3 (d) In order to maintain the integrity of the computer system, the ~~bureau of audits~~ office
4 of internal audit may procure the services of specialists in information security systems or other
5 contractors deemed necessary in conducting reviews under this section, and in procuring those
6 services shall be exempt from the requirements of the state purchasing law or regulation.

7 (e) Any outside contractor or vendor hired to provide services in the review of the
8 security of a computer system shall be bound by the confidentiality provisions of this section.

9 SECTION 10. TITLE 35 of the General Laws entitled "Public Finance" is hereby
10 amended by adding thereto the following chapter:

11 CHAPTER 7.1

12 THE OFFICE OF INTERNAL AUDIT

13 **35-7.1-1. Establishment of office of internal audit.** – (a) There is hereby established
14 within the office of management and budget an office of internal audit. Within the office of
15 internal audit, there shall be a chief, appointed by the director of administration, who shall be the
16 administrative head of the office. The person so selected to be the chief shall be selected without
17 regard to political affiliation and with a demonstrated ability in the following areas: accounting,
18 auditing, financial analysis, investigation, management analysis, and public administration. The
19 office of internal audit will report to the office of management and budget director. Any reference
20 in general law to the "bureau of audits" shall mean the office of internal audit.

21 (b) The chief of the office of internal audit shall not hold, or be a candidate for, any
22 elective or any other appointed public office while a chief. No current chief shall hold a position
23 in any political party or political committee, or, aside from voting, actively engage in the political
24 campaign of any candidate for public office that may cause a real or perceived conflict of interest,
25 or participate as a board member of any entity that receives state or federal funding.

26 (c) No employee of the office of internal audit shall hold, or be a candidate, for any
27 elective public office while an employee, nor shall he/she hold a position in any political party or
28 political committee or, aside from voting, actively engage in a political campaign of any
29 candidate for public office that may cause a real or perceived conflict of interest, or participate as
30 a board member of any not for profit entity that receives state or federal funding.

31 (d) *Purposes and scope.* The office of internal audit is authorized to conduct audits of any
32 state department, state agency, or private entity that is a recipient of state funding or state grants.
33 In addition, the office of internal audit is authorized, but not limited to, evaluating the efficiency
34 of operations and internal controls, preventing and detecting fraud, waste, abuse or

1 mismanagement in the expenditure of public funds, whether federal, state, or local, which are
2 related to any and all state programs and operations as well as the procurement of any goods,
3 services, or construction, by public bodies. As deemed necessary or expedient by the office of
4 internal audit, audits may be made relative to the financial affairs or the economy and efficiency
5 of management of each department, agency or public body. The office of internal audit shall
6 determine which such audits shall be performed in accordance with a risk-based evaluation.

7 (e) "Public body" or "public bodies" under this chapter shall mean state agencies,
8 bureaus, divisions, departments, offices, commissions, boards, institutions, including the public
9 institutions of higher education, districts, authorities, quasi-agencies or political subdivisions
10 created by the general assembly, or the governor. "Public body" shall also include any city and
11 town within the state of Rhode Island but municipal audits under this chapter shall only cover the
12 expenditure of state or federal funds distributed by the state. Audits and investigations of public
13 bodies may include the expenditures by nongovernmental agencies of federal, state, and local
14 public funds.

15 **35-7.1-2. Duties.** -- (a) The chief of internal audit shall supervise, coordinate and/or
16 conduct audits, civil and administrative investigations, and inspections or oversight reviews,
17 when necessary, relating to expenditure of state or federal funds or to any and all state programs
18 and operations as well as the procurement of any supplies, services, or construction, by public
19 bodies. In the course of an audit or investigation, the office of internal audit shall review statutes
20 and regulations of the public body and shall determine if such a public body is in compliance and
21 shall make recommendations concerning the efficiency of operations, and the effect of such
22 statutes or regulations on internal controls and the prevention and detection of fraud, waste and
23 abuse. The chief of internal audit may recommend policies or procedures that may strengthen
24 internal controls, or assist in the prevention or detection of fraud, waste and abuse or
25 mismanagement.

26 (b) The person or persons with legal authority for any public body may request the
27 assistance of the office of internal audit. Any such request must include the scope of services
28 requested and the work to be performed. In such events the chief, with the approval of the
29 director of management and budget, may assign personnel to conduct, supervise or coordinate
30 such activity as deemed necessary and appropriate to perform his/her duties in a diligent and
31 prudent manner. The expenses for any such assistance requested by the public body shall be
32 reimbursed by the public body to the office of internal audit. The chief may recommend policies
33 for the conduct, supervision or coordination of relationship, between state and other state, local
34 governmental agencies as well as federal governmental agencies and nongovernmental entities

1 with respect to all matters relating to the prevention and detection of fraud, waste, abuse or
2 mismanagement in or relating to any and all programs and activities of the state of Rhode Island.

3 (c) When it is determined by the office of internal audit that an audit is necessary
4 because there is sufficient evidence to believe that there may have been fiscal impropriety,
5 wrongdoing or fiscal mismanagement by any agent, employee, board member, or commissioner
6 of any public body, the office of internal audit may conduct a forensic examination of such entity.
7 All costs associated with the forensic examination shall be paid, as deemed appropriate, either by
8 the examined entity or by an appropriation by the general assembly. Such costs shall include, but
9 not be limited to, the following expenses:

10 (1) One hundred percent (100%) of the total salaries and benefits paid to the examining
11 personnel of the office of internal audit engaged in those examinations;

12 (2) All costs associated with the procurement of a forensic consultant;

13 (3) All costs associated with a consultant that provides expertise pertinent to the
14 examinee's operations;

15 (4) All reasonable administrative and technology costs related to the forensic examination
16 process. Technology costs shall include the actual cost of software and hardware utilized in the
17 examination process and the cost of training examination personnel in the proper use of the
18 software and hardware.

19 **35-7.1-3. Investigations or management advisory and consulting services upon**
20 **request of governor or general assembly.** – The office of internal audit may, upon the written
21 request of the governor or of the general assembly conduct audits, provide management advisory
22 and consulting services, or conduct investigations relative to the financial affairs or the economy
23 and efficiency of management, or both, of any public bodies as defined in § 35-7.1-1(e). The
24 office of internal audit may from time to time make such investigations and additional reports to
25 the governor, the director of the department of administration, the director of the office of
26 management and budget and the general assembly as deem necessary or advisable.

27 **35-7.1-4. Management advisory and consulting services provided to public bodies.** –
28 When requested in writing by a public body to the chief, the office of internal audit may provide
29 management advisory or consulting services to the public body. Any such request must include
30 the scope of services requested and a schedule for the work to be performed.

31 **35-7.1-5. Persons authorized to conduct audits – Reports of irregularities.** – Any
32 qualified person duly authorized by the director of management and budget to act as auditor may
33 examine the books, papers, and documents of any public body having control of state or federal
34 funds, and if the audit discloses any irregularities or improper handling of records or funds, the

1 auditor shall report the same to the chief who shall in turn report such findings and
2 recommendations to the director of management and budget, who shall further report to the
3 director of administration.

4 **35-7.1-6. Inspection of records and papers – Investigations.** – (a) The chief, in
5 carrying out the duties outlined in this chapter, shall have access to all records, reports, audits,
6 reviews, papers, books, documents, recommendations, correspondence, including information
7 relative to the purchase of goods or services or anticipated purchase of goods or services from any
8 agent, contractor or vendor by any public body as defined in §35-7.1-1(e), and any other data and
9 material that is maintained by or available to any public body regardless of the media in which it
10 is maintained which is in any way related to the programs and operations with respect to public
11 bodies.

12 (b) The chief may request information and records, cooperation and assistance from any
13 state, or local governmental agency as may be necessary for carrying out his/her duties and
14 responsibilities. Upon receipt of such request, each person in charge of the public body shall
15 furnish to the chief or his/her authorized agent or representative such information and records,
16 cooperation and assistance, including information relative to the purchase of goods or services or
17 anticipated purchase of goods or services from any contractor or vendor by any public body
18 within ten (10) business days of receipt of the chief's request. If the public body is unable to
19 comply with the request for records and/or information within (10) business days, the public body
20 must notify the chief prior to the expiration of the ten (10) ten business days in writing as to the
21 reason or reasons why the request cannot be fulfilled within this time and whether additional time
22 is necessary.

23 (c) The chief may initiate and conduct audits, investigations, and compliance reviews and
24 shall prepare detailed findings, conclusions, and recommendations concerning the administration
25 of programs or operations, and internal controls over processes of public bodies.

26 (d) The chief shall have direct and prompt access to any public body, its agents, officers
27 and employees when necessary for any purpose pertaining to the performance of his/her duties
28 and responsibilities under this chapter.

29 **35-7.1-7. Complaint – Investigation.** – (a) The chief shall accept and may investigate or
30 audit complaints or information from any identified individual concerning the possible existence
31 of any activity constituting fraud, waste, abuse or mismanagement relating to programs and
32 operations of public bodies.

33 (b) The chief shall not, after receipt of a complaint or information from an employee,
34 contractor or private citizen who requests confidentiality, disclose the identity of that individual,

1 without the written consent of said individual, unless the chief determines such disclosure is
2 necessary and unavoidable during the course of an investigation. In such event, the individual
3 filing the complaint shall be notified if possible immediately of such disclosure.

4 (c) Employees are protected under the chapter 50 of title 28 “Rhode Island
5 Whistleblowers Protection Act.”

6 **35-7.1-8. Reports to the state police.** – In carrying out his/her duties and
7 responsibilities, the chief shall report to the Rhode Island state police, whenever the chief has
8 reasonable grounds to believe there has been a violation of federal or state criminal law. The chief
9 shall also refer findings to the state ethics commission, or to any other federal, state or local
10 agency, with an interest in said findings in the discretion of the chief. Any referrals made under
11 this section shall not be made public by the office of internal audit.

12 **35-7.1-9. Coordination with other state agencies.** – The chief may coordinate with
13 other state agencies that are responsible for investigating, auditing, reviewing or evaluating the
14 management of public bodies for the purpose of sharing information and avoiding duplication of
15 effort.

16 **35-7.1-10. Annual and interim reports.** – (a) The office of internal audit shall prepare
17 an annual report summarizing the activities of the office of internal audit for the prior fiscal year.
18 The office of internal audit may also prepare interim performance reports. These reports shall be
19 presented to the director of management and budget. The annual reports shall be posted on the
20 office’s website.

21 (b) The annual report shall include, but not be limited to: a general description of
22 significant problems in the areas of efficiencies, internal controls, fraud, waste, and abuse within
23 programs and operations within the jurisdiction of the office; a general description of the
24 recommendations for corrective actions made by the office during the reporting period with
25 respect to significant deficiencies in the areas of efficiencies, internal controls, fraud, waste, and
26 abuse; the identification of each significant recommendation described in previous annual reports
27 on which corrective action has not been completed; a summary of matters referred to prosecuting
28 authorities; a summary of any matters concerning the recovery of monies as a result of an audit
29 finding or civil suit or a referral to another agency for the purposes of such suit; a list of all audit
30 reports completed by the office during the reporting period and a statement of recommendations
31 of amendment to this chapter or the rules regulations or procedures governing the office of
32 internal audit which would improve the effectiveness or the operations of the office.

33 (c) The annual report of the office of internal audit shall be made public on the day of
34 filing.

1 (d) Within twenty (20) calendar days following the date of the issuance of the
2 management response copy of the draft audit report, the head of the department, agency, public
3 body or private entity audited shall respond in writing to each recommendation made in the audit
4 report. This response shall address the department's, agency's, or public body's or private entity's
5 plan of corrective action, the party responsible to implement the corrective action plan, and the
6 anticipated date to complete the implementation of the corrective action; and if applicable, the
7 reasons for disagreement with any recommendation proposed in the audit report and justification
8 of management's acceptance of risk. The office of internal audit may perform follow-up
9 procedures for the purpose of determining whether the department, agency, public body or private
10 entity has implemented, in an efficient and effective manner, its plan of correction action for the
11 recommendations proposed in the audit report or addressed the risk discussed in the audit report.

12 (e) Copies of each audit report, inclusive of management's responses noted in (e) above
13 shall be submitted to the chairpersons of the house finance committee, and the senate finance
14 committee and posted on the office's website.

15 SECTION 11. Section 42-13-2 of the General Laws in Chapter 42-13 entitled
16 "Department of Transportation" is hereby amended to read as follows:

17 **42-13-2. Organization and functions of the department.** – (a) The department shall be
18 organized in accordance with a project management-based program and shall utilize an asset
19 management system.

20 (1) A project management-based program, manages the delivery of the department's
21 portfolio of transportation improvement projects from project conception to the project
22 completion. Project management activities include:

- 23 (i) Managing and reporting on the delivery status of portfolio projects;
- 24 (ii) Developing overall workload and budget for the portfolio;
- 25 (iii) Developing and implementing the tools to estimate the resources necessary to deliver
26 the projects; and
- 27 (iv) Developing and implementing processes and tools to improve the management of the
28 projects.

29 (2) Asset management is the process used for managing transportation infrastructure by
30 improving decision making for resource allocation. Asset management activities include a
31 systemic process based on economic, engineering and business principles which includes the
32 following functions:

- 33 (i) Completing a comprehensive inventory of system assets;
- 34 (ii) Monitoring system performance; and

1 (iii) Performing analysis utilizing accurate data for managing various assets within the
2 transportation network.

3 (b) The director of transportation shall appoint a chief operating officer to oversee the
4 day-to-day operations of the department.

5 (c) The department shall be organized into such divisions as are described in this section
6 and such other divisions, subdivision, and agencies as the director shall find are necessary to
7 carry out the responsibilities of the department, including: ~~office of audit~~; division of finance;
8 division of planning; division of project management; division of operations and maintenance;
9 office of civil rights; office of safety; office of external affairs; office of legal; office of personnel;
10 office of information services.

11 (d) The director may assign such other responsibilities as he or she shall find appropriate
12 and may reassign functions other than as set out in this section if he or she finds the reassignment
13 necessary to the proper and efficient functioning of the department or of the state's transportation
14 system.

15 (e) The department shall submit a report annually no later than March 31 to the speaker
16 of the house, the president of the senate, and the house and senate fiscal advisors concerning the
17 status of the ten (10) year transportation plan.

18 SECTION 12. Section 42-155-7 of the General Laws in Chapter 42-155 entitled "Quasi-
19 Public Corporations Accountability and Transparency Act" is hereby amended to read as follows:

20 **42-155-7. Audit of quasi-public corporations.** –(a) Commencing January 1, 2015, and
21 every five (5) years thereafter, each quasi-public corporation shall be subject to a performance
22 audit, conducted in compliance with the generally acceptable governmental auditing standards or
23 the standards for the professional practice of internal auditing, by the chief of the ~~bureau of audits~~
24 office of internal audit. The chief, in collaboration with the quasi-public corporation, shall
25 determine the scope of the audit. To assist in the performance of an audit, the chief, in
26 collaboration with the quasi-public corporation, may procure the services of a certified public
27 accounting firm, which shall be a subcontractor of the ~~bureau of audits~~ office of internal audit,
28 and shall be under the direct supervision of the ~~bureau of audits~~ office of internal audit. The chief
29 of the ~~bureau of audits~~ office of internal audit shall establish a rotating schedule identifying the
30 year in which each quasi-public corporation shall be audited. The schedule shall be posted on the
31 website of the ~~bureau of audits~~ office of internal audit.

32 (b) The audit shall be conducted in conformance with chapter 7 of title 35 ("Post Audit of
33 Accounting").

34 (c) Each quasi-public corporation shall be responsible for costs associated with its own

1 audit. The chief and each quasi-public corporation shall agree upon reasonable costs for the audit,
2 not to exceed seventy-five thousand dollars (\$75,000), that shall be remitted to the ~~bureau of~~
3 ~~audits~~ [office of internal audit](#).

4 (d) The results of the audit shall be made public upon completion and posted on the
5 websites of the ~~bureau of audits~~ [office of internal audit](#) and the quasi-public corporation.

6 (e) For purposes of this section, a performance audit shall mean an independent
7 examination of a program, function, operation, or the management systems and procedures of a
8 governmental or nonprofit entity to assess whether the entity is achieving economy, efficiency,
9 and effectiveness in the employment of an available resources.

10 SECTION 13. Section 42-12-1.4 of the General Laws in Chapter 42-12 entitled
11 “Department of Human Services” is hereby repealed:

12 **42-12-1.4. Transfer of functions from the department of health.** – ~~There is hereby~~
13 ~~transferred from the department of health to the department of human services the administration~~
14 ~~and management of the special supplemental nutrition program for women, infants, and children~~
15 ~~(WIC) and all functions and resources associated therewith.~~

16 SECTION 14. Section 42-18-5 of the General Laws in Chapter 42-18 entitled
17 “Department of Health” is thereby amended to read as follows:

18 **42-18-5. Transfer of powers and functions from department of health.** – (a) There are
19 hereby transferred to the department of administration:

20 (1) Those functions of the department of health which were administered through or with
21 respect to departmental programs in the performance of strategic planning as defined in § 42-11-
22 10(c);

23 (2) All officers, employees, agencies, advisory councils, committees, commissions, and
24 task forces of the department of health who were performing strategic planning functions as
25 defined in § 42-11-10(c); and

26 (3) So much of other functions or parts of functions and employees and resources,
27 physical and funded, related thereto of the director of health as are incidental to and necessary for
28 the performance of the functions transferred by subdivisions (1) and (2).

29 ~~(b) There is hereby transferred to the department of human services the administration~~
30 ~~and management of the special supplemental nutrition program for women, infants, and children~~
31 ~~(WIC) and all functions and resources associated therewith.~~

32 ~~(e)~~[\(b\)](#) There is hereby transferred to the executive office of health and human services the
33 HIV/AIDS care and treatment programs and all functions and resources associated therewith. The
34 department of health shall retain the HIV surveillance and prevention programs and all functions

1 and resources associated therewith.

2 SECTION 15. Chapter 42-18 of the General Laws entitled "Department of Health" is
3 hereby amended by adding thereto the following section:

4 **42-18-6. Transfer of functions from the department of human services.** -- There is
5 hereby transferred to the department of health those functions and resources formerly
6 administered by the department of human services relating to the administration and management
7 of the special supplemental nutrition program for women, infants, and children (WIC) authorized
8 by section 23-13-17 of the Rhode Island General Laws.

9 SECTION 16. Sections 30-17.1-1, 30-17.1-2, 30-17.1-3, 30-17.1-4, 30-17.1-5, 30-17.1-6,
10 30-17.1-7, 30-17.1-9, 30-17.1-10, 30-17.1-11 and 30-17.1-13 of the General Laws in Chapter 30-
11 17.1 entitled "Veterans' Affairs" are hereby amended to read as follows:

12 **30-17.1-1. Appropriations.** – The general assembly shall annually appropriate such
13 sums as it may deem necessary for the support of the veterans' home in the town of Bristol, any
14 veterans' cemetery authorized and established by the general assembly, and the assistance of the
15 widows, widowers, and dependent children of deceased veterans, known as the "veterans'
16 assistance fund", for the assistance of worthy dependent veterans, and the dependent worthy
17 families of those veterans who served in the army, navy, marine corps, coast guard, and air force
18 of the United States and were honorably discharged from that service, and for such clerical
19 assistance as may be required in connection with the administration of that program; and the state
20 controller is hereby authorized and directed to draw an order upon the general treasurer for the
21 payment of such sums as may be from time to time required, upon receipt by the state controller
22 of proper vouchers approved by the director of ~~human-services~~ veterans' affairs.

23 **30-17.1-2. Powers of division office of veterans' affairs.** – The ~~division~~ office of
24 veterans' affairs, ~~in the department of human services,~~ in addition to having the control and
25 management of veterans' affairs, shall have custody of all records inquiring into the needs of
26 worthy veterans and the needs of dependent worthy families of those veterans, residing within the
27 State of Rhode Island, and shall also assist such cases as examination proves worthy of
28 assistance, in such sums of money and by such methods as will, in the judgment of that ~~division~~
29 office, best relieve the needs of worthy applicants for assistance.

30 **30-17.1-3. Oath of officials – Bonds.** – All officials appointed under the provisions of
31 this chapter or chapter 24 of this title shall be duly sworn to the faithful performance of their
32 duties. The director of ~~human-services~~ veterans' affairs may, in the director's discretion, require
33 of all officials subordinate to the director, bonds for the faithful performance of their duties.

34 **30-17.1-4. Veterans' claims assistance.** – Upon request, the director of ~~the department~~

1 ~~of human services~~ veterans' affairs, or his or her designee, shall, in accordance with the
2 applicable rules and regulations of the department of veterans' affairs of the United States,
3 prepare and present all veterans' pension and compensation claims qualifying under the
4 provisions of § 42-12-5. The ~~department of human services~~ office of veterans' affairs shall render
5 this assistance without charge to the claimant for the assistance.

6 **30-17.1-5. Requiring veteran to enter home.** – The director of ~~human services~~ of
7 veterans' affairs, or his or her designee, may, in his or her discretion, require any veteran who has
8 no dependent parents, wife, or children, and who desires assistance as provided in this chapter, to
9 become a resident of the veterans' home in order to enjoy the benefits of this chapter.

10 **30-17.1-6. Establishment of the office of veterans' affairs; division director.** – (a)
11 There is hereby established within the executive branch of government ~~and the department of~~
12 ~~human services~~ an office ~~director of the division~~ of veterans' affairs. The director of the ~~division~~
13 office of veterans' affairs shall be a person qualified through experience and training and shall be
14 an honorably discharged war veteran of the United States armed forces. The director of the
15 ~~division office~~ of veterans' affairs shall be appointed by and report directly to the ~~director of the~~
16 ~~department of human services~~ governor, but the office shall reside within the department of
17 human services for administrative purposes. ~~and be in the unclassified service.~~

18 (b) The director of veterans' affairs shall have all such powers, consistent with law, as are
19 necessary and/or convenient to effectuate the purposes of this chapter and to administer its
20 functions, including, but, not limited to, the power to promulgate and adopt regulations. The
21 director shall have authority to apply for, receive, and administer grants and funds from the
22 federal government and all other public and private entities to accomplish the purposes of the
23 office.

24 **30-17.1-7. Annual report to general assembly.** – The director of ~~human services~~ of
25 veterans' affairs shall report annually no later than January 31st of each year to the governor,
26 speaker of the house of representatives, the senate president, house and senate finance
27 committees, setting forth in detail the condition of the veterans' home, any veterans' cemetery,
28 authorized and established by the general assembly, and in general the character of the work of
29 veterans' affairs; and shall render in the report a faithful account of all moneys received and
30 expended by the director of human services and by the ~~division office~~ of veterans' ~~services~~ affairs
31 in the execution of the provisions of this chapter and chapter 24 of this title, excepting the names
32 of persons to whom they have furnished assistance which shall be omitted.

33 **30-17.1-9. Definitions.** – When used in this chapter, the following terms shall have the
34 following meanings:

1 (1) "Advisory Committee" means the veterans' services strategic plan advisory
2 committee as established in § 30-17.1-10.

3 (2) "Committee" means the veterans' committee pursuant to the provisions of subdivision
4 30-17.1-11(c)(8).

5 (3) "State agencies" means state entities responsible for the implementation of services
6 for Rhode Island veterans and their families including:

7 (i) The ~~division~~ office of veterans' affairs;

8 (ii) The division of planning;

9 (iii) The department of human services;

10 (iv) The Rhode Island board of education;

11 (v) The department of behavioral healthcare, developmental disabilities and hospitals;

12 (vi) The department of health;

13 (vii) The division of elderly affairs;

14 (viii) The department of business regulation;

15 (ix) The department of the attorney general;

16 (x) The department of labor and training;

17 (xi) The economic development corporation; and

18 (xii) The office of the secretary of state.

19 (4) "Veterans' Services Strategic Plan ("VSSP")" means the strategic plan as established
20 in § 30-17.1-11.

21 **30-17.1-10. Veterans' services strategic plan advisory committee established.** – (a)

22 There is hereby created a veterans' services strategic plan advisory committee known as "the
23 Rhode Island veterans' services strategic plan advisory committee" consisting of thirteen (13)
24 members as follows:

25 (1) One of whom shall be the director of the ~~division~~ office of veterans' affairs, or his or
26 her designee, who shall serve as ~~co~~-chairperson;

27 (2) One of whom shall be the director of the department of human services, or his or her
28 designee; ~~who shall serve as co-chairperson;~~

29 (3) One of whom shall be the associate director of the division of planning, or his or her
30 designee;

31 (4) One of whom shall be the chair of the Rhode Island board of education, or his or her
32 designee;

33 (5) One of whom shall be the director of the department of behavioral healthcare,
34 developmental disabilities and hospitals, or his or her designee;

1 (6) One of whom shall be the director of department of health, or his or her designee;

2 (7) One of whom shall be the director of the division of elderly affairs, or his or her
3 designee;

4 (8) One of whom shall be the director of the department of business regulation, or his or
5 her designee;

6 (9) One of whom shall be the attorney general, or his or her designee;

7 (10) One of whom shall be the director of the department of labor and training, or his or
8 her designee;

9 (11) One of whom shall be the director of the economic development corporation, or his
10 or her designee;

11 (12) One of whom shall be the secretary of state, or his or her designee;

12 (13) One of whom shall be the adjutant general of the Rhode Island National Guard, or
13 his or her designee.

14 (b) Forthwith upon the passage of this chapter, the members of the advisory committee
15 shall meet at the call of the chairperson and organize. Thereafter, the committee shall meet
16 quarterly and at the call of the chairperson or three (3) members of the advisory committee.

17 (c) All departments and agencies of the state shall furnish such advice and information,
18 documentation, and otherwise to the committee and its agents as is deemed necessary or desirable
19 by the advisory committee to facilitate the purposes of this chapter.

20 (d) The department of human services, ~~division of veterans' affairs~~, is hereby directed to
21 provide suitable quarters and staff for the advisory committee.

22 (e) All departments and agencies of the state shall furnish such advice and information,
23 documentation, and otherwise to the commission and its agents as is deemed necessary or
24 desirable by the advisory committee to facilitate the purposes of this chapter.

25 (f) The members of the advisory committee shall receive no compensation for their
26 services. Members of the committee shall serve for a term of three (3) years and may not succeed
27 themselves more than once after January 1, 2016.

28 **30-17.1-11. The duties of the committee.** – (a) The advisory committee acting through
29 the ~~division~~-office of veterans' affairs, shall work in conjunction with the department of human
30 services to develop, maintain and annually update a five (5) year statewide veterans' services
31 strategic plan ("VSSP"), that includes goals and measurable outcomes to ensure that all
32 departments deliver comprehensive services and supports for veterans and their families.

33 (b) The advisory committee shall conduct an analysis of study toward the development of
34 the "VSSP" that shall include, but not be limited to, the following veterans' issues:

- 1 (1) Access to benefits;
- 2 (2) Employment opportunities;
- 3 (3) Veteran-owned small business growth;
- 4 (4) Educational attainment;
- 5 (5) Job skills training;
- 6 (6) Behavioral health;
- 7 (7) Long-term health care options;
- 8 (8) Criminal justice issues; and
- 9 (9) Homelessness.

10 (c) Establish a veterans' committee comprised of no fewer than five (5) veterans,
11 representing diverse interests and viewpoints, that shall provide input to the advisory committee
12 on all matters pertaining to the preparation or implementation of the veterans' services strategic
13 plan. The committee shall receive administrative support from the departments and the members
14 shall not receive compensation for their service. The committee shall meet at least quarterly and
15 at the call of the co-chairs or four (4) members of the veterans' committee.

16 (d) The "VSSP" shall:

- 17 (1) Be based upon comprehensive data gained through open and transparent engagement
18 of veterans' stakeholders;
- 19 (2) Produce veteran-centric policies and procedures informed by forward looking
20 planning;
- 21 (3) Realistically assess resource adequacy and capabilities delivered;
- 22 (4) Ensure that existing resources are aligned to mission critical objectives;
- 23 (5) Compliment, as well as leverage, existing US Veterans' Administration programs and
24 best practices;
- 25 (6) Foster state, federal and private partnerships that seamlessly deliver exceptional
26 services to the state's veteran population; and
- 27 (7) More effectively coordinate the delivery of veterans' services to all current and future
28 veterans in Rhode Island.

29 **30-17.1-13. Veterans' "pocket guide" and online resource application.** – Contingent
30 upon funding:

31 (1) The ~~division~~ [director of the office](#) of veterans' affairs shall produce and annually
32 update a comprehensive "Pocket Guide Of Veterans' Services." This document shall be concise
33 yet thorough compendium of the benefits and services available to veterans in Rhode Island.

34 (2) Additionally, the ~~division~~ [director of veterans' affairs](#) shall develop and maintain a

1 veterans' online resource application of this information.

2 (3) The ~~division~~ director of veterans' affairs is hereby authorized to accept grants and
3 donations for this project.

4 SECTION 17. Section 30-24-5 of the General Laws in Chapter 30-24 entitled "Rhode
5 Island Veterans' Home" is hereby amended to read as follows:

6 **30-24-5. Functions of advisory council.** – The advisory council for veterans' affairs
7 shall exercise and perform all the duties and functions formerly exercised and performed by the
8 advisory council for the Rhode Island veterans' home. The advisory council for the Rhode Island
9 veterans' home is hereby abolished. The advisory council for veterans' affairs shall make
10 suggestions to and shall advise the director of ~~human services~~ the office of veterans' affairs and
11 the administrator of the veterans' home concerning the policies, rules, and the regulations of the
12 Rhode Island veterans' home; provided, however, that the advisory council shall have no
13 administrative power.

14 SECTION 18. Section 42-129-2 of the General Laws in Chapter 42-129 entitled "Persian
15 Gulf War Information Relief Commission" is hereby amended to read as follows:

16 **42-129-2. Commission established.** – (a) There is established a Legislative Advisory
17 Persian Gulf War information and relief commission which shall obtain information relating to
18 the health effects of exposure to any Gulf War-related risk substance for veterans of this state
19 who may have been exposed to any such substance in the Persian Gulf region or Southwest Asia
20 during their period of military service in the 1990-1991 Persian Gulf War or current Persian Gulf
21 hostilities or hostilities anywhere in Southwest Asia subsequent to September 11, 2001.

22 (b) The commission consists of eleven (11) members who shall serve for a term of five
23 (5) years, five (5) non-appointed commissioner positions shall include:

- 24 (i) The ~~associate~~ director ~~of the division~~ of veteran's affairs or his or her designee;
- 25 (ii) The president of the united veteran's council, or his or her designee;
- 26 (iii) The chairperson of the Multi Service council of Rhode Island or his or her designee;
- 27 (iv) The past ~~associate~~ director of ~~the division of~~ veteran's affairs or his or her designee;
- 28 and
- 29 (v) The chairperson of the advisory council to veteran's affairs, or his or her designee.

30 The remaining four (4) members are appointed as follows:

31 The president of the senate shall appoint two (2) members, one of whom shall be a
32 licensed physician in epidemiology, and one of whom shall be a veteran who served in South
33 West Asia subsequent to September 11, 2001; the speaker of the house of representatives shall
34 appoint two (2) members, one of whom shall be an honorably discharged veteran from the

1 Persian Gulf War; and the minority leaders of the senate and the house of representatives shall
2 each appoint one member, one who shall be an honorably discharged veteran, and one who
3 served in the Persian Gulf during the 1990-1991 Persian Gulf War. The ~~associate~~ director of the
4 ~~division~~ office of veterans' affairs, the president of the united veterans' council and the
5 chairperson of the advisory council shall be appointed for a term to expire August 31, 2010. The
6 members appointed by the president of the senate and the speaker of the house shall be appointed
7 for a term to expire August 31, 2009; the members appointed by the minority leaders of the house
8 of representatives and senate shall be appointed for a term to expire August 31, 2008. Thereafter
9 the commissioners shall serve staggered five (5) year terms, each member serving until his or her
10 successor shall be appointed.

11 (c) The commission shall elect a chairperson from among its members. Reappointments
12 shall be made in the same manner as the original appointment. Vacancies in the membership of
13 the commission and its officers shall be filled for the unexpired term in the same manner as the
14 original appointment or election. The commission shall meet at least four (4) times a year at the
15 call of the chairperson. The initial meeting of the commission shall be called by the director of the
16 department of human services not later than September 1, 2006. The members of the commission
17 shall receive no compensation for their services.

18 SECTION 19. This article shall take effect upon passage.

19 **ARTICLE 5**

20 **RELATING TO CAPITAL DEVELOPMENT PROGRAM**

21 **SECTION 1. Proposition to be submitted to the people.** -- At the general election to be
22 held on the Tuesday next after the first Monday in November 2016, there shall be submitted to
23 the people for their approval or rejection the following proposition:

24 "Shall the action of the general assembly, by an act passed at the January 2016 session,
25 authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the
26 capital projects and in the amount with respect to each such project listed below be approved, and
27 the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the
28 provisions of said act?"

29 Project

30 (1) Leveraging Higher Education to Create 21st Century Jobs \$45,500,000

31 Approval of this question will allow the State of Rhode Island to issue general obligation
32 bonds, refunding bonds, and temporary notes in an amount not to exceed forty-five million five
33 hundred thousand dollars (\$45,500,000) to make capital investments in higher education-related
34 projects, to be allocated as follows:

1 (a) University of Rhode Island College of Engineering \$25,500,000
2 Provides twenty-five million five hundred thousand dollars (\$25,500,000) to renovate and
3 construct an addition on Bliss Hall, one of the University of Rhode Island College of
4 Engineering's oldest buildings. This project is the second phase of a comprehensive program to
5 replace outdated buildings with a major new building and to renovate and build additions to the
6 existing complex of buildings serving the University of Rhode Island College of Engineering.

7 (b) Innovation Campus at a Rhode Island-Based University \$20,000,000
8 Provides twenty million dollars (\$20,000,000) to build one or more innovation campuses
9 involving a university/business collaboration where cutting-edge research can be turned into new
10 products, services and businesses.

11 (2) Port of Davisville Infrastructure at Quonset \$70,000,000
12 Approval of this question will allow the State of Rhode Island to issue general obligation
13 bonds, refunding bonds, and temporary notes in an amount not to exceed seventy million dollars
14 (\$70,000,000) to fund infrastructure modernization and repairs to the Port of Davisville at
15 Quonset, including Pier 2.

16 (3) Green Economy \$35,000,000
17 Approval of this question will allow the State of Rhode Island to issue general obligation
18 bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million
19 dollars (\$35,000,000) for environmental and recreational purposes, to be allocated as follows:

20 (a) Historic State Park Development Program \$7,000,000
21 Provides seven million dollars (\$7,000,000) for major capital improvements to State
22 properties, including Fort Adams State Park, Brenton Point, Colt State Park and Goddard
23 Memorial State Park.

24 (b) State Land Acquisition Program \$4,000,000
25 Provides four million dollars (\$4,000,000) for the State to acquire fee simple interest or
26 conservation easements to open space, farmland, watershed, and recreation lands with matching
27 funds from federal and private entities. Funds would be leveraged on average 1:3 of state to other
28 dollars.

29 (c) State Bikeway Development Program \$10,000,000
30 Provides ten million dollars (\$10,000,000) for the State to design and construct bikeways,
31 including the completion of the Blackstone River Bikeway and the South County Bikeway.

32 (d) Brownfield Remediation and Economic Development \$5,000,000
33 Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit
34 entities for brownfield remediation projects.

1 (e) Stormwater Pollution Prevention Program \$3,000,000

2 Provides up to seventy-five percent (75%) matching grants for public, private and/or non-
3 profit entities for projects that reduce stormwater pollution.

4 (f) Local Recreation Development Matching Grant Program \$2,000,000

5 Provides up to eighty percent (80%) matching grants to municipalities to develop public
6 recreational facilities in Rhode Island.

7 (g) Local Land Acquisition Matching Grant Program \$4,000,000

8 Provides fifty percent (50%) matching grants to municipalities, local land trusts and non-
9 profit organizations to acquire fee-simple interest, development rights, or conservation easements
10 on open space and urban parklands in Rhode Island.

11 (4) Housing Opportunity \$40,000,000

12 Approval of this question will allow the State of Rhode Island to issue general obligation
13 bonds, refunding bonds, and temporary notes in an amount not to exceed forty million dollars
14 (\$40,000,000) for affordable housing.

15 (5) School Construction \$40,000,000

16 Approval of this question will allow the State of Rhode Island to issue general obligation
17 bonds, refunding bonds, and temporary notes in an amount not to exceed forty million dollars
18 (\$40,000,000) to be placed in the School Building Authority Capital Fund to repair, upgrade, and
19 modernize Rhode Island public schools, with a focus on high priority projects that demonstrate
20 immediate need (urgent health and safety projects) and those that reflect investments in science,
21 technology, engineering, arts/design, and math (STEAM), and career and technical education
22 learning spaces.

23 (6) Veterans Home \$27,000,000

24 Approval of this question will allow the State of Rhode Island to issue its general
25 obligation bonds, refunding bonds and temporary notes in an amount not to exceed twenty-seven
26 million dollars (\$27,000,000) for the construction of a new Veterans Home and renovations of
27 existing facilities.

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

33 **SECTION 3. Approval of projects by people.** -- If a majority of the people voting on
34 the proposition provided for in section 1 hereof shall vote to approve the proposition as to any

1 project provided for in section 1 hereof, said project shall be deemed to be approved by the
2 people. The authority to issue bonds, refunding bonds and temporary notes of the state shall be
3 limited to the aggregate amount for all such projects as set forth in the proposition provided for in
4 section 1 hereof, which has been approved by the people.

5 **SECTION 4. Bonds for capital development program.** -- The general treasurer is
6 hereby authorized and empowered with the approval of the governor and in accordance with the
7 provisions of this act to issue from time to time capital development bonds in serial form in the
8 name and on behalf of the state in amounts as may be specified from time to time by the governor
9 in an aggregate principal amount not to exceed the total amount for all projects approved by the
10 people and designated as "capital development loan of 2016 bonds," provided, however, that the
11 aggregate principal amount of such capital development bonds and of any temporary notes
12 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not
13 exceed the total amount for all such projects as have been approved by the people. All provisions
14 in this act relating to "bonds" shall also be deemed to apply to "refunding bonds."

15 Capital development bonds issued under this act shall be in denominations of one
16 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency
17 of the United States which at the time of payment shall be legal tender for public and private
18 debts. These capital development bonds shall bear such date or dates, mature at specified time or
19 times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in
20 which they are issued, bear interest payable semi-annually at a specified rate or different or
21 varying rates, be payable at designated time or times at specified place or places, be subject to
22 expressed terms of redemption or recall, with or without premium, be in a form, with or without
23 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt
24 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the
25 approval of the governor, upon each issue of such capital development bonds at the time of each
26 issue. Whenever the governor shall approve the issuance of such capital development bonds, he
27 or she shall certify approval to the secretary of state; the bonds shall be signed by the general
28 treasurer and countersigned by the manual or facsimile signature of the secretary of state and
29 shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be
30 endorsed on each bond so approved with a facsimile of his or her signature.

31 **SECTION 5. Refunding bonds for 2016 capital development program.** -- The general
32 treasurer is hereby authorized and empowered, with the approval of the governor and in
33 accordance with the provisions of this act, to issue from time to time bonds to refund the 2016
34 capital development program bonds in the name and on behalf of the state, in amounts as may be

1 specified from time to time by the governor in an aggregate principal amount not to exceed the
2 total amount approved by the people, to be designated as "capital development program loan of
3 2016 refunding bonds" (hereinafter "refunding bonds").

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

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

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

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

24 **SECTION 6. Proceeds of capital development program.** -- The general treasurer is
25 directed to deposit the proceeds from the sale of capital development bonds issued under this act,
26 exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond
27 insurance, in one or more of the depositories in which the funds of the state may be lawfully kept
28 in special accounts (hereinafter cumulatively referred to as "such capital development bond
29 fund") appropriately designated for each of the projects set forth in section 1 hereof which shall
30 have been approved by the people to be used for the purpose of paying the cost of all such
31 projects so approved.

32 All monies in the capital development bond fund shall be expended for the purposes
33 specified in the proposition provided for in section 1 hereof under the direction and supervision of
34 the director of administration (hereinafter referred to as "director"). The director or his or her

1 designee shall be vested with all power and authority necessary or incidental to the purposes of
2 this act, including but not limited to, the following authority: (a) to acquire land or other real
3 property or any interest, estate or right therein as may be necessary or advantageous to
4 accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans
5 and specifications, and relocation expenses and other costs such as for furnishings, equipment
6 designing, inspecting and engineering, required in connection with the implementation of any
7 projects set forth in section 1 hereof; (c) to direct payment for the costs of construction,
8 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
9 improvements to land in connection with the implementation of any projects set forth in section 1
10 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
11 for repair, renovation or conversion of systems and structures as necessary for the 2016 capital
12 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
13 expended in excess of the amount of the capital development bond fund designated for each
14 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
15 section 1, the proceeds shall be used for the following purposes:

16 Question 1 relating to bonds in the amount of forty-five million five hundred thousand
17 dollars (\$45,500,000) to be allocated as follows:

18 (a) University of Rhode Island - College of Engineering \$25,500,000

19 Provides funds to renovate and construct an addition on Bliss Hall, which is one of the
20 University of Rhode Island College of Engineering’s oldest buildings. This project is the second
21 phase of a comprehensive program to replace outdated buildings with a major new building and
22 to renovate and build additions to the existing complex of buildings serving the University of
23 Rhode Island College of Engineering. In addition to constructing an addition to historic Bliss
24 Hall, the project will restore the building and upgrade building systems, improve classrooms,
25 modernize teaching laboratories, and provide advanced research facilities for the next generation
26 of Engineering students and faculty.

27 (b) University-Backed Innovation Campus Program \$20,000,000

28 Provides funds to build one or more innovation campuses involving a university/business
29 collaboration where cutting-edge research can be turned into new products, services, and
30 businesses. The State will run a competitive selection process to determine the location and type
31 of campus or campuses to build. A winning proposal must involve a Rhode Island-based
32 university, more than match the state’s investment with private or federal funds, include at least
33 one business partner, and spur a substantial number of new jobs at a variety of skill levels.
34 Preference will be given to proposals that include a state university as a sponsor.

1 Question 2 relating to bonds in the amount of seventy million dollars (\$70,000,000) to
2 modernize the port infrastructure at the Port of Davisville in the Quonset Business Park, including
3 Pier 2. The Port handles a majority of shipping imports into Narragansett Bay and supports one of
4 the largest auto importers in North America. A primary goal of this program will be modernizing
5 of Pier 2, which has exceeded the 50-year lifespan for which it was originally designed.

6 Question 3 relating to bonds in the amount of thirty-five million dollars (\$35,000,000) for
7 environmental and recreational purposes to be allocated as follows:

8 (a) Historical State Park Development Program \$7,000,000
9 Provides funds for major capital improvements to state properties, including Fort Adams
10 State Park, Brenton Point, Colt State Park and Goddard Memorial State Park.

11 (b) State Land Acquisition Program \$4,000,000
12 Provides funds to acquire fee interest or conservation easements to open space, farmland,
13 watershed, and recreation lands with matching funds from federal and private entities.

14 (c) State Bikeway Development Program \$10,000,000
15 Provides funds for the State to design and construct bikeways, including the completion
16 of the Blackstone River Bikeway and the South County Bikeway.

17 (d) Brownfield Remediation and Economic Development \$5,000,000
18 Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit
19 entities for brownfields remediation projects.

20 (e) Stormwater Pollution Prevention Program \$3,000,000
21 Provides up to seventy-five percent (75%) matching grants for public, private and/or non-
22 profit entities for projects that reduce stormwater pollution.

23 (f) Local Recreation Development Matching Grant Program \$2,000,000
24 Provides up to eighty percent (80%) matching grants to municipalities to develop public
25 recreational facilities in Rhode Island.

26 (g) Local Land Acquisition Matching Grant Program \$4,000,000
27 Provides fifty percent (50%) matching grants to municipalities, local land trusts and non-
28 profit organizations to acquire fee-simple interest, development rights, or conservation easements
29 on open space and urban parklands in Rhode Island.

30 Question 4 relating to bonds in the amount of forty million dollars (\$40,000,000) to
31 promote housing opportunity programs through redevelopment of existing structures, new
32 construction and/or foreclosure assistance.

33 Question 5 relating to bonds in the amount of forty million dollars (\$40,000,000) will be
34 used to repair, upgrade, and modernize Rhode Island public schools, with a focus on high priority

1 projects that demonstrate immediate need (urgent health and safety projects) and those that reflect
2 investments in science, technology, engineering, arts/design, and math (STEAM), and career and
3 technical education learning spaces.

4 Question 6 relating to bonds in the amount of twenty-seven million dollars (\$27,000,000)
5 will provide funds to the Office of Veterans' Affairs for the construction of a new Veterans Home
6 and renovation of existing facilities in Bristol, Rhode Island. Question 4 of the November 2012
7 Ballot authorized the issuance of general obligation bonds of up to ninety-four million dollars
8 (\$94,000,000) for the construction of a new Veterans Home, but the authorizing language limited
9 the amount of bonds that could be issued by the amount of any federal funding received for this
10 project. The federal government is expected to contribute up to sixty million, five hundred
11 thousand dollars (\$60,500,000) for this project, which would authorize the state to issue only
12 thirty-three million, five hundred thousand dollars (\$33,500,000) in general obligation bonds
13 under the 2012 ballot authorization. The overall project cost is estimated to be one hundred
14 twenty million, five hundred thousand dollars (\$120,500,000). This new bond authorization
15 would allow the state to issue an additional twenty-seven million dollars (\$27,000,000) in general
16 obligation bonds, which when combined with the thirty-three million, five hundred thousand
17 dollars (\$33,500,000) from the 2012 ballot authorization will provide a total of sixty-one million
18 dollars (\$61,000,000) for the completion of this project. The total borrowing for the project from
19 this proposal plus the maximum amount allowed to be borrowed under the 2012 ballot
20 authorization will be thirty-three million five hundred thousand dollars (\$33,500,000) less than
21 the ninety-four million dollars (\$94,000,000) authorized on the 2012 Ballot.

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

26 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's
27 discount, which may be received on the sale of the capital development bonds or notes shall
28 become part of the Rhode Island Capital Plan Fund of the state, unless directed by federal law or
29 regulation to be used for some other purpose.

30 In the event that the amount received from the sale of the capital development bonds or
31 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may
32 be used to the extent possible to retire the bonds as the same may become due, to redeem them in
33 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the
34 approval of the governor, shall deem to be for the best interests of the state.

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

6 **SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -**
7 - All bonds and notes issued under the authority of this act shall be exempt from taxation in the
8 state and shall be general obligations of the state, and the full faith and credit of the state is hereby
9 pledged for the due payment of the principal and interest on each of such bonds and notes as the
10 same shall become due.

11 **SECTION 9. Investment of moneys in fund. --** All moneys in the capital development
12 fund not immediately required for payment pursuant to the provisions of this act may be invested
13 by the investment commission, as established by chapter 35-10, pursuant to the provisions of such
14 chapter; provided, however, that the securities in which the capital development fund is invested
15 shall remain a part of the capital development fund until exchanged for other securities; and
16 provided further, that the income from investments of the capital development fund shall become
17 a part of the general fund of the state and shall be applied to the payment of debt service charges
18 of the state, unless directed by federal law or regulation to be used for some other purpose, or to
19 the extent necessary, to rebate to the United States treasury any income from investments
20 (including gains from the disposition of investments) of proceeds of bonds or notes to the extent
21 deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from
22 federal income taxation.

23 **SECTION 10. Appropriation. --** To the extent the debt service on these bonds is not
24 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
25 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
26 appropriated.

27 **SECTION 11. Advances from general fund. --** The general treasurer is authorized from
28 time to time with the approval of the director and the governor, in anticipation of the issue of
29 notes or bonds under the authority of this act, to advance to the capital development bond fund for
30 the purposes specified in section 6 hereof, any funds of the state not specifically held for any
31 particular purpose; provided, however, that all advances made to the capital development bond
32 fund shall be returned to the general fund from the capital development bond fund forthwith upon
33 the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds
34 to the extent of such advances.

1 WHEREAS, the Act further declares it to be the public policy of the State to encourage
2 the expansion and development of the State’s harbors and ports and to foster and improve the
3 handling of waterborne commerce from and to any port of this State and other states and foreign
4 countries; and

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

11 WHEREAS, the Act has empowered the Rhode Island commerce corporation to establish
12 subsidiary corporations to exercise its powers and functions, or any of them; and

13 WHEREAS, the general assembly, pursuant to § 42-64.10-1 et seq. (as enacted, reenacted
14 and amended, hereafter the “QDC Act”) created the Quonset development corporation as a
15 subsidiary of the Rhode Island commerce corporation; and

16 WHEREAS, the QDC Act provided that the Quonset development corporation shall have
17 the power to purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
18 otherwise deal in and with, real or personal property, or any interest therein, wherever situated,
19 including those certain transportation, harbor, pier, and waterfront facilities located at the
20 Quonset business park; and

21 WHEREAS, the QDC Act also provides that the Quonset development corporation shall
22 have the power to sell, mortgage, lease, exchange, transfer, or otherwise dispose of or encumber
23 any project (or in the case of a sale, to accept a purchase money mortgage in connection
24 therewith), or to grant options for any such purposes with respect to any real or personal property
25 or interest therein, as the lawful agent and attorney-in-fact of the Rhode Island commerce
26 corporation with respect to all property of the Rhode Island commerce corporation at the Quonset
27 business park, all of the foregoing for such consideration as the Quonset development corporation
28 shall determine; and

29 WHEREAS, any lease by the Quonset development corporation to another party may be
30 for such part of the Quonset business park, real or personal, for such period, upon such terms or
31 conditions, with or without an option on the part of the lessee to purchase any or all of the leased
32 property for such consideration, at or after the retirement of all indebtedness incurred by the
33 Quonset development corporation on account thereof, as the Quonset development corporation
34 shall determine; and

1 WHEREAS, the Act authorizes the Rhode Island commerce corporation to borrow
2 money and issue bonds for any of its corporate purposes; and

3 WHEREAS, pursuant to §§ 35-18-3 and 35-18-4 of the Rhode Island General Laws, the
4 Rhode Island commerce corporation has requested the approval of the general assembly for the
5 issuance of harbor, pier, and port revenue bonds (hereafter "bonds") for the purpose of providing
6 funds to the Quonset development corporation for financing capital projects for harbor, pier, port,
7 and all other costs related to the improvements necessary at and in the immediate vicinity of the
8 Davisville piers at the Quonset business park, including without limitation, improvements to
9 modernize port infrastructure at the Port of Davisville (hereafter the "2016 Davisville Piers
10 Project"), including funding, capitalized interest, costs of issuing the bonds, and related costs, and
11 the establishment of reserves for the project and the bonds, including a debt service reserve fund;
12 and

13 WHEREAS, the financing of the 2016 Davisville Piers Project and repayment of the
14 bonds will be accomplished through one or more loan agreements having the Quonset
15 development corporation as borrower, such agreement or agreements to require that the Quonset
16 development corporation to make loan payments in an amount equal to the debt service on the
17 bonds; now, therefore, be it:

18 RESOLVED, the general assembly hereby approves the Rhode Island commerce
19 corporation's issuance of the bonds in a private placement or through a public offering, in one or
20 more series. The bonds will be special obligation bonds of the Rhode Island commerce
21 corporation payable exclusively from loan repayments under a loan agreement with the Quonset
22 development corporation and from bond proceeds, funds, accounts, and properties and the
23 proceeds thereof pledged therefor, and thus the Rhode Island commerce corporation's maximum
24 liability will be limited to loan repayments received under the loan agreement and the aggregate
25 amount of such other funds, accounts, properties, and proceeds; and be it further

26 RESOLVED, that the total amount of debt approved to be issued in the aggregate shall be
27 not more than twenty million dollars (\$20,000,000); and be it further

28 RESOLVED, that the general assembly hereby approves the Quonset development
29 corporation's entering into the loan agreements described above. Payments under the loan
30 agreements shall be derived exclusively from project revenues and such other proceeds, funds,
31 accounts, projects, and the proceeds thereof as the Quonset development corporation may pledge
32 therefor; and be it further

33 RESOLVED, that none of the bonds or the loan agreements shall constitute indebtedness
34 of the State or a debt for which the full faith and credit of the State is pledged or a moral

1 obligation thereof; and be it further

2 RESOLVED, that this resolution shall apply to bonds issued within five (5) years of the
3 date of passage of this resolution; and be it further

4 RESOLVED, that this joint resolution shall take effect immediately upon its passage.

5 SECTION 3. This article shall take effect upon passage.

6 **ARTICLE 7**

7 RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION

8 SECTION 1. Rhode Island Medicaid Reform Act of 2008 Resolution.

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

11 WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Law § 42-
12 12.4-1, et seq. for federal waiver requests and/or state plan amendments; and

13 WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the
14 Executive Office of Health and Human Services (hereafter “the Secretary”) is responsible for the
15 review and coordination of any Medicaid section 1115 demonstration waiver requests and
16 renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan
17 or category II or III changes as described in the demonstration, with “the potential to affect the
18 scope, amount, or duration of publicly-funded health care services, provider payments or
19 reimbursements, or access to or the availability of benefits and services provided by Rhode Island
20 general and public laws”; and

21 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
22 fiscally sound and sustainable, the Secretary requests general assembly approval of the following
23 proposals to amend the demonstration:

24 (a) *Nursing Facility Payment Rates*. The Executive Office of Health and Human Services
25 (hereafter “EOHHS”) proposes to eliminate the projected nursing facility rate increase that would
26 otherwise take effect during the state fiscal year 2017. Implementation of this initiative may
27 require amendments to the Rhode Island’s Medicaid state plan and/or Section 1115 waiver under
28 the terms and conditions of the demonstration. Further, implementation of these initiatives may
29 require the adoption of new or amended rules, regulations and procedures.

30 (b) *Beneficiary Liability Collection Enhancements* – Federal laws and regulations require
31 beneficiaries who are receiving Medicaid-funded long-term services and supports (LTSS) to pay
32 a portion of any excess income they may have once eligibility has been determined toward in the
33 cost of care. The amount the beneficiary is obligated to pay is referred to as a *liability* or *cost-*
34 *share* and must be used solely for the purpose of offsetting the agency’s payment for the LTSS

1 provided. The EOHHS is seeking to implement new methodologies that will make it easier for
2 beneficiaries to make these payments and enhance the agency's capacity to collect them in a
3 timely and equitable manner. The EOHHS may require federal state plan and/or waiver authority
4 to implement these new methodologies. Amended rules, regulations and procedures may also be
5 required.

6 (c) *Medicaid Managed Care Organizations (MCO) – Administrative Rate-Setting.* The
7 EOHHS seeks to alter the manner in which administrative rates are set for Medicaid MCOs from
8 a variable to a fixed approach. Changes in rate-setting methodology may require section 1115
9 waiver or Medicaid State Plan authorities.

10 (d) *Managed Care Plan Re-procurement.* The EOHHS is re-procuring its managed care
11 delivery system by September 1, 2016. The re-procurement includes Rite Care plans for children
12 and families and Rhody Health Partners plans for low-income elders and persons with disabilities
13 and adults ages nineteen (19) to sixty-four (64) eligible under the federal Affordable Care Act of
14 2010. The re-procurement process will take into account a range of initiatives affecting the
15 delivery system such as accountable care entities, STOP and CEDARR direct services which will
16 change the organization and financing of certain Medicaid services and various performance-
17 based payment incentives and rewards. Therefore, the re-procurement process may require state
18 plan and/or waiver amendments as well as actuarial analyses. Any reconfiguration of in-plan and
19 out-of-plan benefits will also necessitate amendments to agency rules, processes and procedures.

20 (e) *Increase in LTSS Home Care Provider Wages.* To further the goal of rebalancing the
21 long-term care system to promote home and community based alternatives, the EOHHS proposes
22 to establish a wage-pass through program targeting certain home health care professionals.
23 Implementation of the program may require amendments to the Medicaid State Plan and/or
24 section 1115 demonstration waiver due to changes in payment methodologies.

25 (f) *Integrated Care Initiative (ICI) – Enrollment.* The EOHHS proposes to establish
26 mandatory enrollment for all Medicaid beneficiaries including but not limited to beneficiaries
27 receiving LTSS through the ICI, including those who are dually eligible for Medicaid and
28 Medicare. Implementation of mandatory enrollment requires section 1115 waiver authority under
29 the terms and conditions of the demonstration. New and/or amended rules, regulations and
30 procedures are also necessary to implement this proposal.

31 (g) *Alternative Payment Arrangements –* The EOHHS proposes to leverage all available
32 resources by repurposing funds derived from various savings initiatives and obtaining federal
33 financial participation for costs not otherwise matchable to expand the reach and enhance the
34 effectiveness of alternative payment arrangements that maximize value and cost-effectiveness,

1 and tie payments to improvements in service quality and health outcomes. Amendments to the
2 section 1115 waiver and/or the Medicaid state plan may be required to implement any alternative
3 payment arrangements the EOHHS is authorized to pursue.

4 (h) *Implementation of Approved Authorities: Section 1115 Waiver Demonstration*
5 *Extension and Amendments.* The EOHHS, in conjunction with the departments of Human
6 Services, Children, Youth and Families, Health, Behavioral Healthcare, Developmental
7 Disabilities and Hospitals, proposes to implement the authorities approved under the section 1115
8 waiver demonstration extension and subsequent amendments as follows: (1) the Division of
9 Elderly Affairs of DHS plans to obtain federal financial participation for costs-otherwise not
10 matchable for certain Medicaid dementia care services provided to otherwise ineligible
11 participants in its copay program with income up to two-hundred and fifty (250) percent of the
12 Federal Poverty Level ; (2) the EOHHS is continuing efforts to re-balance the LTSS system by
13 instituting, with the assistance of the DHS, an expedited eligibility pathway for applicants seeking
14 care in the home or community-based setting who meet certain income and clinical criteria; (3)
15 all EOHHS agencies are pursuing waiver authorities promoting the utilization of care
16 management models that offer a “health home”, promote access to preventive care, and provide
17 an integrated system of services; and (4) the EOHHS plans to use waiver authorized program
18 refinements that recognize and assure access to the non-medical services and supports, such as
19 peer navigation and housing stabilization services, that optimize a person’s health, wellness and
20 safety, reduce or delay the need for long term services and fill gaps in the integrated system of
21 care;

22 (i) *Federal Financing Opportunities.* The EOHHS proposes to review Medicaid
23 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of
24 2010 and various other recently enacted federal laws and pursue any changes in the Rhode Island
25 Medicaid program that promote service quality, access and cost-effectiveness that may warrant a
26 Medicaid State Plan Amendment or amendment under the terms and conditions of Rhode Island’s
27 section 1115 Waiver, its successor, or any extension thereof. Any such actions the EOHHS takes
28 shall not have an adverse impact on beneficiaries or cause an increase in expenditures beyond the
29 amount appropriated for state fiscal year 2017; now, therefore, be it

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

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

1 RESOLVED, that this joint resolution shall take effect upon passage.

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

3 **ARTICLE 8**

4 **RELATING TO LICENSING OF HOSPITAL FACILITIES**

5 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
6 “Licensing of Health Care Facilities” is hereby amended to read as follows:

7 **23-17-38.1. Hospitals – Licensing fee.** – ~~(a) There is imposed a hospital licensing fee at
8 the rate of five and seven hundred forty five thousandths percent (5.745%) upon the net patient
9 services revenue of every hospital for the hospital's first fiscal year ending on or after January 1,
10 2013, except that the license fee for all hospitals located in Washington County, Rhode Island
11 shall be discounted by thirty seven percent (37%). The discount for Washington County hospitals
12 is subject to approval by the Secretary of the US Department of Health and Human Services of a
13 state plan amendment submitted by the executive office of health and human services for the
14 purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This
15 licensing fee shall be administered and collected by the tax administrator, division of taxation
16 within the department of revenue, and all the administration, collection and other provisions of
17 chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax
18 administrator on or before July 13, 2015 and payments shall be made by electronic transfer of
19 monies to the general treasurer and deposited to the general fund. Every hospital shall, on or
20 before June 15, 2015, make a return to the tax administrator containing the correct computation of
21 net patient services revenue for the hospital fiscal year ending September 30, 2013, and the
22 licensing fee due upon that amount. All returns shall be signed by the hospital's authorized
23 representative, subject to the pains and penalties of perjury.~~

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

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

7 (b) There is also imposed a hospital licensing fee at the rate of five and seven hundred
8 three thousandths percent (5.862%) upon the net patient services revenue of every hospital for the
9 hospital's first fiscal year ending on or after January 1, 2014, except that the license fee for all
10 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
11 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
12 the US Department of Health and Human Services of a state plan amendment submitted by the
13 executive office of health and human services for the purpose of pursuing a waiver of the
14 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
15 collected by the tax administrator, division of taxation within the department of revenue, and all
16 the administration, collection and other provisions of chapter 51 of title 44 shall apply. Every
17 hospital shall pay the licensing fee to the tax administrator on or before July 10, 2017 and
18 payments shall be made by electronic transfer of monies to the general treasurer and deposited to
19 the general fund. Every hospital shall, on or before June 14, 2017, make a return to the tax
20 administrator containing the correct computation of net patient services revenue for the hospital
21 fiscal year ending September 30, 2014, and the licensing fee due upon that amount. All returns
22 shall be signed by the hospital's authorized representative, subject to the pains and penalties of
23 perjury.

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

26 (1) "Hospital" means the actual facilities and buildings in existence in Rhode Island,
27 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on
28 that license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital
29 conversions) and §23-17-6 (b) (change in effective control), that provides short-term acute
30 inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for
31 injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated
32 Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital
33 through receivership, special mastership or other similar state insolvency proceedings (which
34 court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon

1 the newly negotiated rates between the court-approved purchaser and the health plan, and such
2 rates shall be effective as of the date that the court-approved purchaser and the health plan
3 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology
4 for inpatient hospital payments and outpatient hospital payments set for the §§ 40-8-
5 13.4(b)(1)(B)(iii) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases
6 for each annual twelve (12) month period as of July 1 following the completion of the first full
7 year of the court-approved purchaser's initial Medicaid managed care contract.

8 (2) "Gross patient services revenue" means the gross revenue related to patient care
9 services.

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

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

16 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
17 that are duly licensed on July 1, ~~2015~~ 2016, and shall be in addition to the inspection fee imposed
18 by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

19 SECTION 2. This article shall take effect as of July 1, 2016.

20 ARTICLE 9

21 RELATING TO MEDICAL ASSISTANCE AND UNCOMPENSATED CARE

22 Preamble: Building on the foundation of the Reinventing Medicaid Act of 2015, Rhode
23 Island is seeking to leverage funds from all available sources to ensure access to coordinated
24 health care services and promote higher-quality care through payment incentives and reform.
25 Accordingly, the Executive Office of Health and Human Services is taking the opportunity to
26 maximize and repurpose funds derived from redesigning certain financing mechanisms and health
27 care delivery systems and to implement innovative care models and payment systems that
28 encourage and reward quality, efficiency and healthy outcomes.

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

10 (b) Insurers shall reimburse certified early intervention providers, who are designated as
11 such by the executive office of health and human services, ~~for~~ early intervention services as
12 defined in this section at rates of reimbursement equal to or greater than the prevailing integrated
13 state Medicaid rate for early intervention services as established by the executive office of health
14 and human services.

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

19 SECTION 2. Sections 40-8-13.4 and 40-8-19 of the General Laws in Chapter 40-8
20 entitled "Medical Assistance" are hereby amended to read as follows:

21 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
22 **services.** – (a) The executive office of health and human services ("executive office") shall
23 implement a new methodology for payment for in state and out of state hospital services in order
24 to ensure access to and the provision of high quality and cost-effective hospital care to its eligible
25 recipients.

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

28 (1)(i) With respect to inpatient services for persons in fee for service Medicaid, which is
29 non-managed care, implement a new payment methodology for inpatient services utilizing the
30 Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method
31 which provides a means of relating payment to the hospitals to the type of patients cared for by
32 the hospitals. It is understood that a payment method based on ~~Diagnosis Related Groups~~ DRG
33 may include cost outlier payments and other specific exceptions. The executive office will review
34 the DRG payment method and the DRG base price annually, making adjustments as appropriate

1 in consideration of such elements as trends in hospital input costs, patterns in hospital coding,
2 beneficiary access to care, and the Center for Medicare and Medicaid Services national CMS
3 Prospective Payment System (IPPS) Hospital Input Price index. For the twelve (12) month period
4 beginning July 1, 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services
5 shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of
6 July 1, 2014.

7 (ii) With respect to inpatient services, (A) it is required as of January 1, 2011 until
8 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
9 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
10 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month
11 period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid
12 Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the
13 applicable period; (B) provided, however, for the twenty-four (24) month period beginning July
14 1, 2013 the Medicaid managed care payment rates between each hospital and health plan shall not
15 exceed the payment rates in effect as of January 1, 2013 and for the twelve (12) month period
16 beginning July 1, 2015, the Medicaid managed care payment inpatient rates between each
17 hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
18 payment rates in effect as of January 1, 2013; (C) negotiated increases in inpatient hospital
19 payments for each annual twelve (12) month period beginning July 1, 2016 may not exceed the
20 Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS)
21 Hospital Input Price Index, less Productivity Adjustment, for the applicable period; (D) The
22 ~~Rhode Island~~ executive office ~~of health and human services~~ will develop an audit methodology
23 and process to assure that savings associated with the payment reductions will accrue directly to
24 the Rhode Island Medicaid program through reduced managed care plan payments and shall not
25 be retained by the managed care plans; (E) All hospitals licensed in Rhode Island shall accept
26 such payment rates as payment in full; and (F) for all such hospitals, compliance with the
27 provisions of this section shall be a condition of participation in the Rhode Island Medicaid
28 program.

29 (2) With respect to outpatient services and notwithstanding any provisions of the law to
30 the contrary, for persons enrolled in fee for service Medicaid, the executive office will reimburse
31 hospitals for outpatient services using a rate methodology determined by the executive office and
32 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
33 payments for similar services. Notwithstanding the above, there shall be no increase in the
34 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.

1 For the twelve (12) month period beginning July 1, 2015, Medicaid fee-for-service outpatient
2 rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1,
3 2014. Thereafter, ~~changes to outpatient rates will be implemented on July 1 each year and shall~~
4 ~~align with Medicare payments for similar services from the prior federal fiscal year~~ increases in
5 the outpatient hospital payments for each annual twelve (12) month period beginning July 1, 2016
6 may not exceed the CMS national Outpatient Prospective Payment System (OPPS) Hospital
7 Input Price Index for the applicable period. With respect to the outpatient rate, (i) it is required as
8 of January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates
9 between each hospital and health plan shall not exceed one hundred percent (100%) of the rate in
10 effect as of June 30, 2010; ~~(ii)~~ (ii) Negotiated increases in hospital outpatient payments for each
11 annual twelve (12) month period beginning January 1, 2012 may not exceed the Centers for
12 Medicare and Medicaid Services national CMS Outpatient Prospective Payment System ~~(OPPS)~~
13 hospital price index for the applicable period; ~~(ii)~~ (iii) provided, however, for the twenty-four (24)
14 month period beginning July 1, 2013, the Medicaid managed care outpatient payment rates
15 between each hospital and health plan shall not exceed the payment rates in effect as of January 1,
16 2013 and for the twelve (12) month period beginning July 1, 2015, the Medicaid managed care
17 outpatient payment rates between each hospital and health plan shall not exceed ninety-seven and
18 one-half percent (97.5%) of the payment rates in effect as of January 1, 2013; ~~(iii)~~ (iv) negotiated
19 increases in outpatient hospital payments for each annual twelve (12) month period beginning
20 July 1, 2016 may not exceed the Centers for Medicare and Medicaid Services national CMS
21 ~~Outpatient Prospective Payment System (OPPS)~~ Hospital Input Price Index, less Productivity
22 Adjustment, for the applicable period.

23 (3) "Hospital" as used in this section shall mean the actual facilities and buildings in
24 existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter
25 any premises included on that license, regardless of changes in licensure status pursuant to § 23-
26 17.14 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-
27 term acute inpatient and/or outpatient care to persons who require definitive diagnosis and
28 treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language,
29 the negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires
30 a hospital through receivership, special mastership or other similar state insolvency proceedings
31 (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based
32 upon the newly negotiated rates between the court-approved purchaser and the health plan, and
33 such rates shall be effective as of the date that the court-approved purchaser and the health plan
34 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology

1 for inpatient hospital payments and outpatient hospital payments set forth in the §§ 40-8-
2 13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases
3 for each annual twelve (12) month period as of July 1 following the completion of the first full
4 year of the court-approved purchaser's initial Medicaid managed care contract.

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

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

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

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

29 (g) The provisions of this section shall be effective upon implementation of the
30 ~~amendments and~~ new payment methodology set forth pursuant to this section and § 40-8-13.3,
31 which shall in any event be no later than March 30, 2010, at which time the provisions of §§ 40-
32 8-13.2, 27-19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

33 **40-8-19. Rates of payment to nursing facilities.** – (a) Rate reform. (1) The rates to be
34 paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to

1 participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible
2 residents, shall be reasonable and adequate to meet the costs which must be incurred by
3 efficiently and economically operated facilities in accordance with 42 U.S.C. §1396a(a)(13). The
4 executive office of health and human services (["executive office"](#)) shall promulgate or modify the
5 principles of reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with
6 the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

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

13 (i) A direct care rate adjusted for resident acuity;

14 (ii) An indirect care rate comprised of a base per diem for all facilities;

15 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015,
16 which may or may not result in automatic per diem revisions;

17 (iv) Application of a fair rental value system;

18 (v) Application of a pass-through system; and

19 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
20 index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will
21 not occur on October 1, 2013 or October 1, 2015, but will occur on April 1, 2015. [The adjustment](#)
22 [will also not occur on October 1, 2016.](#) Said inflation index shall be applied without regard for
23 the transition factor in subsection (b)(2) below.

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

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

32 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate
33 the first year of the transition. An adjustment to the per diem loss or gain may be phased out by
34 twenty-five percent (25%) each year; except, however, for the years beginning October 1, 2015

1 [and October 1, 2016](#), there shall be no adjustment to the per diem gain or loss, but the phase out
2 shall resume thereafter; and

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

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

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

11 **40-8.3-2. Definitions.** -- As used in this chapter:

12 (1) "Base year" means for the purpose of calculating a disproportionate share payment for
13 any fiscal year ending after September 30, ~~2014~~ [2015](#), the period from October 1, ~~2012~~ [2013](#)
14 through September 30, ~~2013~~ [2014](#), and for any fiscal year ending after September 30, ~~2015~~ [2016](#),
15 the period from October 1, ~~2014~~ [2015](#) through September 30, ~~2014~~ [2015](#).

16 (2) "Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a
17 percentage) the numerator of which is the hospital's number of inpatient days during the base year
18 attributable to patients who were eligible for medical assistance during the base year and the
19 denominator of which is the total number of the hospital's inpatient days in the base year.

20 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:
21 (i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base
22 year; and shall mean the actual facilities and buildings in existence in Rhode Island, licensed
23 pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that
24 license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital conversions)
25 and § 23-17-6(b) (change in effective control), that provides short-term acute inpatient and/or
26 outpatient care to persons who require definitive diagnosis and treatment for injury, illness,
27 disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid
28 managed care payment rates for a court-approved purchaser that acquires a hospital through
29 receivership, special mastership or other similar state insolvency proceedings (which court-
30 approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the
31 newly negotiated rates between the court-approved purchaser and the health plan, and such rates
32 shall be effective as of the date that the court-approved purchaser and the health plan execute the
33 initial agreement containing the newly negotiated rate. The rate-setting methodology for inpatient
34 hospital payments and outpatient hospital payments set for the §§ 40-8-13.4(b)(1)(B)(iii) and 40-

1 8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve
2 (12) month period as of July 1 following the completion of the first full year of the court-
3 approved purchaser's initial Medicaid managed care contract.

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

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

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

15 (5) "Uncompensated care index" means the annual percentage increase for hospitals
16 established pursuant to § 27-19-14 for each year after the base year, up to and including the
17 payment year, provided, however, that the uncompensated care index for the payment year ending
18 September 30, 2007 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and
19 that the uncompensated care index for the payment year ending September 30, 2008 shall be
20 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated care
21 index for the payment year ending September 30, 2009 shall be deemed to be five and thirty-eight
22 hundredths percent (5.38%), and that the uncompensated care index for the payment years ending
23 September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September
24 30, 2014, ~~and~~ September 30, 2015, ~~and~~ September 30, 2016, and September 30, 2017 shall be
25 deemed to be five and thirty hundredths percent (5.30%).

26 **40-8.3-3. Implementation.** ~~(a) For federal fiscal year 2014, commencing on October 1,~~
27 ~~2013 and ending September 30, 2014, the executive office of health and human services shall~~
28 ~~submit to the Secretary of the U.S. Department of Health and Human Services a state plan~~
29 ~~amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments~~
30 ~~(DSH Plan) to provide:~~

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

34 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~

1 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~
2 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
3 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~
4 ~~share payments shall be made on or before July 14, 2014 and are expressly conditioned upon~~
5 ~~approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human~~
6 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~
7 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for~~
8 ~~the disproportionate share payments.~~

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

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

18 (2) That the Pool D allotment shall be distributed among the participating hospitals in
19 direct proportion to the individual participating hospital's uncompensated care costs for the base
20 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
21 year inflated by uncompensated care index for all participating hospitals. The ~~disproportionate~~
22 ~~share~~ DSH Plan payments shall be made on or before July 13, 2015 and are expressly conditioned
23 upon approval on or before July 6, 2015 by the Secretary of the U.S. Department of Health and
24 Human Services, or his or her authorized representative, of all Medicaid state plan amendments
25 necessary to secure for the state the benefit of federal financial participation in federal fiscal year
26 2015 for the disproportionate share payments.

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

32 (1) That the disproportionate share hospital payments to all participating hospitals, not to
33 exceed an aggregate limit of ~~\$138.2~~ 125.0 million, shall be allocated by the executive office of
34 health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

1 (2) That the Pool D allotment shall be distributed among the participating hospitals in
2 direct proportion to the individual participating hospital's uncompensated care costs for the base
3 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
4 year inflated by uncompensated care index for all participating hospitals. The ~~disproportionate~~
5 ~~share payments~~ [DSH Plan](#) shall be made on or before July 11, 2016 and are expressly conditioned
6 upon approval on or before July 5, 2016 by the Secretary of the U.S. Department of Health and
7 Human Services, or his or her authorized representative, of all Medicaid state plan amendments
8 necessary to secure for the state the benefit of federal financial participation in federal fiscal year
9 2016 for the disproportionate share payments.

10 federal financial participation in federal fiscal year 2016 for the ~~disproportionate share~~
11 ~~payments~~ [DSH Plan](#).

12 [\(c\) For federal fiscal year 2017, commencing on October 1, 2016 and ending September](#)
13 [30, 2017, the executive office of health and human services shall submit to the Secretary of the](#)
14 [U.S. Department of Health and Human Services a state plan amendment to the Rhode Island](#)
15 [Medicaid DSH Plan to provide:](#)

16 [\(1\) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of](#)
17 [\\$125.0 million, shall be allocated by the executive office of health and human services to the Pool](#)
18 [A, Pool C and Pool D components of the DSH Plan; and,](#)

19 [\(2\) That the Pool D allotment shall be distributed among the participating hospitals in](#)
20 [direct proportion to the individual participating hospital's uncompensated care costs for the base](#)
21 [year, inflated by the uncompensated care index to the total uncompensated care costs for the base](#)
22 [year inflated by uncompensated care index for all participating hospitals. The disproportionate](#)
23 [share payments shall be made on or before July 11, 2017 and are expressly conditioned upon](#)
24 [approval on or before July 5, 2017 by the Secretary of the U.S. Department of Health and Human](#)
25 [Services, or his or her authorized representative, of all Medicaid state plan amendments necessary](#)
26 [to secure for the state the benefit of federal financial participation in federal fiscal year 2017 for](#)
27 [the disproportionate share payments.](#)

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

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

34 (f) Beginning with federal FY 2016, Pool D DSH payments will be recalculated by the

1 state based on actual hospital experience. The final Pool D payments will be based on the data
2 from the final DSH audit for each federal fiscal year. Pool D DSH payments will be redistributed
3 among the qualifying hospitals in direct proportion to the individual qualifying hospital's
4 uncompensated care to the total uncompensated care costs for all qualifying hospitals as
5 determined by the DSH audit. No hospital will receive an allocation that would incur funds
6 received in excess of audited uncompensated care costs.

7 SECTION 4. Section 40-8.3-10 of the General Laws in Chapter 40-8.3 entitled
8 "Uncompensated Care" is hereby repealed.

9 ~~**40-8.3-10. Hospital adjustment payments. – Effective July 1, 2012 and for each**~~
10 ~~subsequent year, the executive office of health and human services is hereby authorized and~~
11 ~~directed to amend its regulations for reimbursement to hospitals for inpatient and outpatient~~
12 ~~services as follows:~~

13 ~~(a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-~~
14 ~~38.19(b)(1), shall receive a quarterly outpatient adjustment payment each state fiscal year of an~~
15 ~~amount determined as follows:~~

16 ~~(1) Determine the percent of the state's total Medicaid outpatient and emergency~~
17 ~~department services (exclusive of physician services) provided by each hospital during each~~
18 ~~hospital's prior fiscal year;~~

19 ~~(2) Determine the sum of all Medicaid payments to hospitals made for outpatient and~~
20 ~~emergency department services (exclusive of physician services) provided during each hospital's~~
21 ~~prior fiscal year;~~

22 ~~(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a~~
23 ~~percentage defined as the total identified upper payment limit for all hospitals divided by the sum~~
24 ~~of all Medicaid payments as determined in subdivision (2); and then multiply that result by each~~
25 ~~hospital's percentage of the state's total Medicaid outpatient and emergency department services~~
26 ~~as determined in subdivision (1) to obtain the total outpatient adjustment for each hospital to be~~
27 ~~paid each year;~~

28 ~~(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one~~
29 ~~quarter (1/4) of its total outpatient adjustment as determined in subdivision (3) above.~~

30 ~~(b) Each hospital in the state of Rhode Island, as defined in subdivision 3-17-38.19(b)(1),~~
31 ~~shall receive a quarterly inpatient adjustment payment each state fiscal year of an amount~~
32 ~~determined as follows:~~

33 ~~(1) Determine the percent of the state's total Medicaid inpatient services (exclusive of~~
34 ~~physician services) provided by each hospital during each hospital's prior fiscal year;~~

1 ~~(2) Determine the sum of all Medicaid payments to hospitals made for inpatient services~~
2 ~~(exclusive of physician services) provided during each hospital's prior fiscal year;~~

3 ~~(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a~~
4 ~~percentage defined as the total identified upper payment limit for all hospitals divided by the sum~~
5 ~~of all Medicaid payments as determined in subdivision (2); and then multiply that result by each~~
6 ~~hospital's percentage of the state's total Medicaid inpatient services as determined in subdivision~~
7 ~~(1) to obtain the total inpatient adjustment for each hospital to be paid each year;~~

8 ~~(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one~~
9 ~~quarter (1/4) of its total inpatient adjustment as determined in subdivision (3) above.~~

10 ~~(e) The amounts determined in subsections (a) and (b) are in addition to Medicaid~~
11 ~~inpatient and outpatient payments and emergency services payments (exclusive of physician~~
12 ~~services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan~~
13 ~~for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to~~
14 ~~recoupment or settlement.~~

15 SECTION 5. Sections 40-8.4-3 and 40-8.4-12 of the General Laws in Chapter 40-8.4
16 entitled "Health Care for Families" are hereby amended to read as follows:

17 **40-8.4-3. Definitions.** – (a) ~~Family" means a minor child or children and the parent(s) or~~
18 ~~relative as defined in § 40-5.1-3, with whom they reside including two parent families in which~~
19 ~~one parent is working more than one hundred (100) hours per month.~~ "Cost-effective" means that
20 the portion of the ESI that the state would subsidize, as well as costs for wrap-around services and
21 coverage, that would on average cost less to the State than enrolling that same individual/family
22 in a managed care delivery system.

23 (b) "Cost sharing" means any co-payments, deductibles or co-insurance associated with
24 ESI.

25 (c) "Employee premium" means the monthly premium share an individual or family is
26 required to pay to the employer to obtain and maintain ESI coverage.

27 (d) "Employer-Sponsored Insurance or ESI" means health insurance or a group health
28 plan offered to employees by an employer. This includes plans purchased by small employers
29 through the State health insurance marketplace, Healthsource, RI (HSRI).

30 (e) "Minor child" means a child under the age of eighteen (18) or who is eighteen (18)
31 and a full-time student in a secondary school or in the equivalent level of vocational or technical
32 training.

33 (f) "Policy holder" means the person in the household with access to ESI, typically the
34 employee.

1 (g) “RIte Share-approved employer-sponsored insurance (ESI)” means an employer-
2 sponsored health insurance plan that meets the coverage and cost-effectiveness criteria for RIte
3 Share.

4 (h) “RIte Share buy-in” means the monthly amount an Medicaid-ineligible policy holder
5 must pay toward RIte Share-approved ESI that covers the Medicaid-eligible children, young
6 adults or spouses with access to the ESI. The buy-in only applies in instances when household
7 income is above 150% the FPL.

8 (i) “RIte Share premium assistance program” means the Rhode Island Medicaid premium
9 assistance program in which the State pays the eligible Medicaid member’s share of the cost of
10 enrolling in a RIte Share-approved ESI plan and, in instances in which it is cost-effective to do
11 so, the cost of the ineligible policy holder. This allows the State to share the cost of the health
12 insurance coverage with the employer.

13 (j) “RIte Share Unit” means the entity within EOHHS responsible for assessing the cost-
14 effectiveness of ESI, contacting employers about ESI as appropriate, initiating the RIte Share
15 enrollment and disenrollment process, handling member communications, and managing the
16 overall operations of the RIte Share program.

17 (k) “Third Party Liability (TPL)” means other health insurance coverage. This insurance
18 is in addition to Medicaid and is usually provided through an employer. Since Medicaid is always
19 the payer of last resort, the TPL is always the primary coverage.

20 (l) “Wrap-around services or coverage” means any health care services not included in
21 the ESI plan that would have been covered had the Medicaid member been enrolled in a RIte
22 Care or Rhody Health Partners plan. Coverage of deductibles and co-insurance is included in the
23 wrap. Co-payments to providers are not covered as part of the wrap-around coverage.

24 **40-8.4-12. RIte Share Health Insurance Premium Assistance Program.** ~~—(a) *Basic*~~
25 ~~*RIte Share Health Insurance Premium Assistance Program. The office of health and human*~~
26 ~~*services is authorized and directed to amend the medical assistance Title XIX state plan to*~~
27 ~~*implement the provisions of section 1906 of Title XIX of the Social Security Act, 42 U.S.C.*~~
28 ~~*section 1396e, and establish the Rhode Island health insurance premium assistance program for*~~
29 ~~*RIte Care eligible families with incomes up to two hundred fifty percent (250%) of the federal*~~
30 ~~*poverty level who have access to employer-based health insurance. The state plan amendment*~~
31 ~~*shall require eligible families with access to employer-based health insurance to enroll themselves*~~
32 ~~*and/or their family in the employer-based health insurance plan as a condition of participation in*~~
33 ~~*the RIte Share program under this chapter and as a condition of retaining eligibility for medical*~~
34 ~~*assistance under chapters 5.1 and 8.4 of this title and/or chapter 12.3 of title 42 and/or premium*~~

1 ~~assistance under this chapter, provided that doing so meets the criteria established in section 1906~~
2 ~~of Title XIX for obtaining federal matching funds and the department has determined that the~~
3 ~~individual's and/or the family's enrollment in the employer-based health insurance plan is cost-~~
4 ~~effective and the department has determined that the employer-based health insurance plan meets~~
5 ~~the criteria set forth in subsection (d). The department shall provide premium assistance by~~
6 ~~paying all or a portion of the employee's cost for covering the eligible individual or his or her~~
7 ~~family under the employer-based health insurance plan, subject to the cost sharing provisions in~~
8 ~~subsection (b), and provided that the premium assistance is cost effective in accordance with Title~~
9 ~~XIX, 42 U.S.C. section 1396 et seq. - Under the terms of Section 1906 of Title XIX of the U.S.~~
10 Social Security Act, states are permitted to pay a Medicaid eligible individual's share of the costs
11 for enrolling in employer-sponsored health insurance (ESI) coverage if it is cost effective to do
12 so. Pursuant to general assembly's direction in Rhode Island Health Reform Act of 2000, the
13 Medicaid agency requested and obtained federal approval under § 1916 to establish the RIte
14 Share premium assistance program to subsidize the costs of enrolling Medicaid eligible
15 individuals and families in employer sponsored health insurance plans that have been approved as
16 meeting certain cost and coverage requirements. The Medicaid agency also obtained, at the
17 general assembly's direction, federal authority to require any such persons with access to ESI
18 coverage to enroll as a condition of retaining eligibility providing that doing so meets the criteria
19 established in Title XIX for obtaining federal matching funds.

20 ~~(b) Individuals who can afford it shall share in the cost. The office of health and human~~
21 ~~services is authorized and directed to apply for and obtain any necessary waivers from the~~
22 ~~secretary of the United States Department of Health and Human Services, including, but not~~
23 ~~limited to, a waiver of the appropriate sections of Title XIX, 42 U.S.C. section 1396 et seq., to~~
24 ~~require that families eligible for RIte Care under this chapter or chapter 12.3 of title 42 with~~
25 ~~incomes equal to or greater than one hundred fifty percent (150%) of the federal poverty level pay~~
26 ~~a share of the costs of health insurance based on the individual's ability to pay, provided that the~~
27 ~~cost sharing shall not exceed five percent (5%) of the individual's annual income. The department~~
28 ~~of human services shall implement the cost sharing by regulation, and shall consider co-~~
29 ~~payments, premium shares or other reasonable means to do so.~~

30 ~~(c) Current RIte Care enrollees with access to employer-based health insurance. The~~
31 ~~office of health and human services shall require any family who receives RIte Care or whose~~
32 ~~family receives RIte Care on the effective date of the applicable regulations adopted in~~
33 ~~accordance with subsection (f) to enroll in an employer-based health insurance plan at the~~
34 ~~individual's eligibility redetermination date or at an earlier date determined by the department,~~

1 ~~provided that doing so meets the criteria established in the applicable sections of Title XIX, 42~~
2 ~~U.S.C. section 1396 et seq., for obtaining federal matching funds and the department has~~
3 ~~determined that the individual's and/or the family's enrollment in the employer based health~~
4 ~~insurance plan is cost effective and has determined that the health insurance plan meets the~~
5 ~~criteria in subsection (d). The insurer shall accept the enrollment of the individual and/or the~~
6 ~~family in the employer based health insurance plan without regard to any enrollment season~~
7 ~~restrictions.~~ RItE Share Populations. Medicaid beneficiaries subject to RItE Share include
8 children, families, parent and caretakers eligible for Medicaid or the Children's Health Insurance
9 Program under this chapter or chapter 42-12.3 and adults under age 65 eligible under chapters 40-
10 8.5 and 40-8.12 as follows:

11 (1) The income of Medicaid beneficiaries shall affect whether and in what manner they
12 must participate in RItE Share as follows:

13 (i) Income at or below 150% of FPL -- Individuals and families determined to have
14 household income at or below 150% of the Federal Poverty Level (FPL) guidelines based on the
15 modified adjusted gross income (MAGI) standard or other standard approved by the secretary are
16 required to participate in RItE Share if a Medicaid-eligible adult or parent/caretaker has access to
17 cost-effective ESI. Enrolling in ESI through RItE Share shall be a condition of maintaining
18 Medicaid health coverage for any eligible adult with access to such coverage.

19 (ii) Income above 150% FPL -- Premium assistance is available when the household
20 includes Medicaid-eligible members, but the ESI policy holder, typically a parent/ caretaker or
21 spouse, is not eligible for Medicaid. Premium assistance for parents/caretakers and other
22 household members who are not Medicaid-eligible may be provided in circumstances when
23 enrollment of the Medicaid-eligible family members in the approved ESI plan is contingent upon
24 enrollment of the ineligible policy holder and the executive office of health and human services
25 (executive office) determines, based on a methodology adopted for such purposes, that it is cost-
26 effective to provide premium assistance for family or spousal coverage.

27 (c) RItE Share Enrollment as a Condition of Eligibility. For Medicaid beneficiaries over
28 the age of nineteen (19) enrollment in RItE Share is a condition of eligibility except as exempted
29 below and by regulations promulgated by the executive office.

30 (1) Medicaid-eligible children and young adults up to age nineteen (19) shall not be
31 required to enroll in a parent/caretaker relative's ESI as a condition of maintaining Medicaid
32 eligibility. Medicaid-eligible children and young adults shall remain eligible for Medicaid and
33 shall be enrolled in a RItE Care plan if the person with access to RItE Share-approved ESI does
34 not enroll as required.

1 (2) There shall be a limited six (6) month exemption from the mandatory enrollment
2 requirement for persons participating in the RI Works program pursuant to § 40-5.2.

3 *(d) Approval of health insurance plans for premium assistance.* The executive office ~~of~~
4 ~~health and human services~~ shall adopt regulations providing for the approval of employer-based
5 health insurance plans for premium assistance and shall approve employer-based health insurance
6 plans based on these regulations. In order for an employer-based health insurance plan to gain
7 approval, the ~~department~~ executive office must determine that the benefits offered by the
8 employer-based health insurance plan are substantially similar in amount, scope, and duration to
9 the benefits provided to ~~RIte Care~~ Medicaid-eligible persons ~~by the RIte Care program~~ enrolled in
10 Medicaid managed care plan, when the plan is evaluated in conjunction with available
11 supplemental benefits provided by the office. The office shall obtain and make available to
12 persons otherwise eligible for ~~RIte Care~~ Medicaid identified in this section as supplemental
13 benefits those benefits not reasonably available under employer-based health insurance plans
14 which are required for RIte Care eligible persons by state law or federal law or regulation. Once it
15 has been determined by the Medicaid agency that the ESI offered by a particular employer is RIte
16 Share-approved, all Medicaid members with access to that employer's plan are required
17 participate in RIte Share. Failure to meet the mandatory enrollment requirement shall result in the
18 termination of the Medicaid eligibility of the policy holder and other Medicaid members nineteen
19 (19) or older in the household that could be covered under the ESI until the policy holder
20 complies with the RIte Share enrollment procedures established by the executive office.

21 *(e) Premium Assistance – EOHHS Payment.* The executive office shall provide premium
22 assistance by paying all or a portion of the employee's cost for covering the eligible individual or
23 his or her family under such a RIte Share-approved ESI plan subject to the buy-in provisions in
24 this section.

25 *(f) Buy-in – Beneficiary Costs.* The executive office is authorized and directed to apply
26 for and obtain any necessary waivers from the secretary of the U.S. DHHS to require that families
27 enrolled in a RIte Share-approved employer-based health plan who have income equal to or
28 greater than one hundred fifty percent (150%) of the FPL to buy-in to pay a share of the costs
29 based on the ability to pay, provided that the buy-in cost shall not exceed five percent (5%) of the
30 individual's annual income. The executive office shall implement the buy-in by regulation, and
31 shall consider co-payments, premium shares or other reasonable means to do so.

32 *(e)(g) Maximization of federal contribution.* The office of health and human services is
33 authorized and directed to apply for and obtain federal approvals and waivers necessary to
34 maximize the federal contribution for provision of medical assistance coverage under this section,

1 including the authorization to amend the Title XXI state plan and to obtain any waivers necessary
2 to reduce barriers to provide premium assistance to recipients as provided for in Title XXI of the
3 Social Security Act, 42 U.S.C. section 1397 et seq.

4 ~~(f)~~(h) *Implementation by regulation.* The office of health and human services is
5 authorized and directed to adopt regulations to ensure the establishment and implementation of
6 the premium assistance program in accordance with the intent and purpose of this section, the
7 requirements of Title XIX, Title XXI and any approved federal waivers.

8 SECTION 6. Section 40-8.5-1.1 of the General Laws in Chapter 40-8.5 entitled "Health
9 Care for Elderly and Disabled Residents Act" is hereby amended to read as follows:

10 **40-8.5-1.1. Managed health care delivery systems.** – (a) To ensure that all medical
11 assistance beneficiaries, including the elderly and all individuals with disabilities, have access to
12 quality and affordable health care, the ~~department of human services~~ executive office of health
13 and human services ("executive office") is authorized to implement mandatory managed care
14 health systems.

15 (b) "Managed care" is defined as systems that: integrate an efficient financing mechanism
16 with quality service delivery; provides a "medical home" to assure appropriate care and deter
17 unnecessary services; and place emphasis on preventive and primary care. For purposes of
18 ~~Medical Assistance this section~~, managed care systems ~~are also~~ may also be defined to include a
19 primary care case management model ~~in which ancillary services are provided under the direction~~
20 ~~of a physician in a practice~~, community health teams, and/or other such arrangements that ~~meets~~
21 meet standards established by the ~~department of human services~~ executive office and serve the
22 purposes of this section. Managed care systems may also include services and supports that
23 optimize the health and independence of ~~recipients~~ beneficiaries who are determined to need
24 Medicaid funded long-term care under chapter 40-8.10 or to be at risk for such care under
25 applicable federal state plan or waiver authorities and the rules and regulations promulgated by
26 the ~~department. Any medical assistance recipients~~ executive office. Any Medicaid beneficiaries
27 who have third-party medical coverage or insurance may be provided such services through an
28 entity certified by or in a contractual arrangement with the ~~department~~ executive office or, as
29 deemed appropriate, exempt from mandatory managed care in accordance with rules and
30 regulations promulgated by the ~~department of human services~~ executive office of health and
31 human services.

32 (c) In accordance with § 42-12.4-7, the ~~department~~ executive office is authorized to
33 obtain any approval through waiver(s), category II or III changes, and/or state plan amendments,
34 from the secretary of the United States department of health and human services, that are

1 necessary to implement mandatory managed health care delivery systems for all ~~medical~~
2 ~~assistance recipients, including the primary case management model in which ancillary services~~
3 ~~are provided under the direction of a physician in a practice that meets standards established by~~
4 ~~the department of human services~~ medicaid beneficiaries. The waiver(s), category II or III
5 changes, and/or state plan amendments shall include the authorization to extend managed care to
6 cover long-term care services and supports. Such authorization shall also include, as deemed
7 appropriate, exempting certain beneficiaries with third-party medical coverage or insurance from
8 mandatory managed care in accordance with rules and regulations promulgated by the ~~department~~
9 ~~of human services~~ executive office.

10 (d) To ensure the delivery of timely and appropriate services to persons who become
11 eligible for Medicaid by virtue of their eligibility for a U.S. social security administration
12 program, the ~~department of human services~~ executive office is authorized to seek any and all data
13 sharing agreements or other agreements with the social security administration as may be
14 necessary to receive timely and accurate diagnostic data and clinical assessments. Such
15 information shall be used exclusively for the purpose of service planning, and shall be held and
16 exchanged in accordance with all applicable state and federal medical record confidentiality laws
17 and regulations.

18 SECTION 7. Sections 40-8.9-3, 40-8.9-4, 40-8.9-6, 40-8.9-7, 40-8.9-8 and 40-8.9-9 of
19 the General Laws in Chapter 40-8.9 entitled "Medical Assistance - Long-Term Care Service and
20 Finance Reform " are hereby amended to read as follows:

21 **40-8.9-3. Least restrictive setting requirement.-** ~~Beginning on July 1, 2007, the~~
22 ~~department of human services~~ The executive office of health and human services (executive
23 office) is directed to recommend the allocation of existing Medicaid resources as needed to
24 ensure that those in need of long-term care and support services receive them in the least
25 restrictive setting appropriate to their needs and preferences. The ~~department~~ executive office is
26 hereby authorized to utilize screening criteria, to avoid unnecessary institutionalization of persons
27 during the full eligibility determination process for Medicaid community based care.

28 **40-8.9-4. Unified long-term care budget.-** Beginning on July 1, 2007, a unified long-
29 term care budget shall combine in a single line-item appropriation within the ~~department of~~
30 ~~human services budget~~ executive office of health and human services (executive office), annual
31 ~~department of human services~~ executive office Medicaid appropriations for nursing facility and
32 community-based long-term care services for elderly sixty-five (65) years and older and younger
33 persons at risk of nursing home admissions (including adult day care, home health, pace, and
34 personal care in assisted living settings). Beginning on July 1, 2007, the total system savings

1 attributable to the value of the reduction in nursing home days including hospice nursing home
2 days paid for by Medicaid shall be allocated in the budget enacted by the general assembly for the
3 ensuing fiscal year for the express purpose of promoting and strengthening community-based
4 alternatives; provided, further, beginning July 1, 2009, said savings shall be allocated within the
5 budgets of the [executive office and, as appropriate, the](#) department of human services, ~~and the~~
6 ~~department~~ [division](#) of elderly affairs. The allocation shall include, but not be limited to, funds to
7 support an on-going statewide community education and outreach program to provide the public
8 with information on home and community services and the establishment of presumptive
9 eligibility criteria for the purposes of accessing home and community care. The home and
10 community care service presumptive eligibility criteria shall be developed through rule or
11 regulation on or before September 30, 2007. The allocation may also be used to fund home and
12 community services provided by the ~~department~~ [division](#) of elderly affairs for persons eligible for
13 Medicaid long-term care, and the co-pay program administered pursuant to section 42-66.3. Any
14 monies in the allocation that remain unexpended in a fiscal year shall be carried forward to the
15 next fiscal year for the express purpose of strengthening community-based alternatives.

16 The caseload estimating conference pursuant to § 35-17-1 shall determine the amount of
17 general revenues to be added to the current service estimate of community based long-term care
18 services for elderly sixty-five (65) and older and younger persons at risk of nursing home
19 admissions for the ensuing budget year by multiplying the combined cost per day of nursing
20 home and hospice nursing home days estimated at the caseload conference for that year by the
21 reduction in nursing home and hospice nursing home days from those in the second fiscal year
22 prior to the current fiscal year to those in the first fiscal year prior to the current fiscal year.

23 **40-8.9-6. Reporting.-** Annual reports showing progress in long-term care system reform
24 and rebalancing shall be submitted by April 1st of each year by the ~~department~~ [executive office of](#)
25 [health and human services](#) to the Joint Legislative Committee on Health Care Oversight as well
26 as the finance committees of both the senate and the house of representatives and shall include:
27 the number of persons aged sixty-five (65) years and over and adults with disabilities served in
28 nursing facilities, the number of persons transitioned from nursing homes to Medicaid supported
29 home and community based care, the number of persons aged sixty-five (65) years and over and
30 adults with disabilities served in home and community care to include home care, adult day
31 services, assisted living and shared living, the dollar amounts and percent of expenditures spent
32 on nursing facility care and home and community-based care, and estimates of the continued
33 investments necessary to provide stability to the existing system and establish the infrastructure
34 and programs required to achieve system-wide reform and the targeted goal of spending fifty

1 percent (50%) of Medicaid long-term care dollars on nursing facility care and fifty percent (50%)
2 on home and community-based services.

3 **40-8.9.7. Rate reform.-** ~~By January 2008 the department of human services~~ [The](#)
4 [executive office of health and human services](#) shall design and require to be submitted by all
5 service providers cost reports for all community-based long-term services.

6 **40-8.9.8. System screening.-** ~~By January 2008 the department of human services~~ [The](#)
7 [executive office of health and human services](#) shall develop and implement a screening strategy
8 for the purpose of identifying entrants to the publicly financed long-term care system prior to
9 application for eligibility as well as defining their potential service needs.

10 **40-8.9.9. Long-term care re-balancing system reform goal.-** (a) Notwithstanding any
11 other provision of state law, the executive office of health and human services is authorized and
12 directed to apply for and obtain any necessary waiver(s), waiver amendment(s) and/or state plan
13 amendments from the secretary of the United States department of health and human services,
14 and to promulgate rules necessary to adopt an affirmative plan of program design and
15 implementation that addresses the goal of allocating a minimum of fifty percent (50%) of
16 Medicaid long-term care funding for persons aged sixty-five (65) and over and adults with
17 disabilities, in addition to services for persons with developmental disabilities , to home and
18 community-based care ; provided, further, the executive office shall report annually as part of its
19 budget submission, the percentage distribution between institutional care and home and
20 community-based care by population and shall report current and projected waiting lists for long-
21 term care and home and community-based care services. The executive office is further
22 authorized and directed to prioritize investments in home and community- based care and to
23 maintain the integrity and financial viability of all current long-term care services while pursuing
24 this goal.

25 (b) The reformed long-term care system re-balancing goal is person-centered and
26 encourages individual self-determination, family involvement, interagency collaboration, and
27 individual choice through the provision of highly specialized and individually tailored home-
28 based services. Additionally, individuals with severe behavioral, physical, or developmental
29 disabilities must have the opportunity to live safe and healthful lives through access to a wide
30 range of supportive services in an array of community-based settings, regardless of the
31 complexity of their medical condition, the severity of their disability, or the challenges of their
32 behavior. Delivery of services and supports in less costly and less restrictive community settings,
33 will enable children, adolescents and adults to be able to curtail, delay or avoid lengthy stays in
34 long-term care institutions, such as behavioral health residential treatment facilities, long- term

1 care hospitals, intermediate care facilities and/or skilled nursing facilities.

2 (c) Pursuant to federal authority procured under § 42-7.2-16 of the general laws, the
3 executive office of health and human services is directed and authorized to adopt a tiered set of
4 criteria to be used to determine eligibility for services. Such criteria shall be developed in
5 collaboration with the state's health and human services departments and, to the extent feasible,
6 any consumer group, advisory board, or other entity designated for such purposes, and shall
7 encompass eligibility determinations for long-term care services in nursing facilities, hospitals,
8 and intermediate care facilities for persons with intellectual disabilities as well as home and
9 community-based alternatives, and shall provide a common standard of income eligibility for
10 both institutional and home and community- based care. The executive office is authorized to
11 adopt clinical and/or functional criteria for admission to a nursing facility, hospital, or
12 intermediate care facility for persons with intellectual disabilities that are more stringent than
13 those employed for access to home and community-based services. The executive office is also
14 authorized to promulgate rules that define the frequency of re- assessments for services provided
15 for under this section. Levels of care may be applied in accordance with the following:

16 (1) The executive office shall continue to apply the level of care criteria in effect on June
17 30, 2015 for any recipient determined eligible for and receiving Medicaid-funded long-term
18 services in supports in a nursing facility, hospital, or intermediate care facility for persons with
19 intellectual disabilities on or before that date, unless:

20 (a) the recipient transitions to home and community based services because he or she
21 would no longer meet the level of care criteria in effect on June 30, 2015; or

22 (b) the recipient chooses home and community based services over the nursing facility,
23 hospital, or intermediate care facility for persons with intellectual disabilities. For the purposes of
24 this section, a failed community placement, as defined in regulations promulgated by the
25 executive office, shall be considered a condition of clinical eligibility for the highest level of care.
26 The executive office shall confer with the long-term care ombudsperson with respect to the
27 determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid
28 recipient eligible for a nursing facility, hospital, or intermediate care facility for persons with
29 intellectual disabilities as of June 30, 2015 receive a determination of a failed community
30 placement, the recipient shall have access to the highest level of care; furthermore, a recipient
31 who has experienced a failed community placement shall be transitioned back into his or her
32 former nursing home, hospital, or intermediate care facility for persons with intellectual
33 disabilities whenever possible. Additionally, residents shall only be moved from a nursing home,
34 hospital, or intermediate care facility for persons with intellectual disabilities in a manner

1 consistent with applicable state and federal laws.

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

5 (3) No nursing home, hospital, or intermediate care facility for persons with intellectual
6 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds
7 that the recipient does not meet level of care criteria unless and until the executive office has:

8 (i) performed an individual assessment of the recipient at issue and provided written
9 notice to the nursing home, hospital, or intermediate care facility for persons with intellectual
10 disabilities that the recipient does not meet level of care criteria; and

11 (ii) the recipient has either appealed that level of care determination and been
12 unsuccessful, or any appeal period available to the recipient regarding that level of care
13 determination has expired.

14 (d) The executive office is further authorized to consolidate all home and community-
15 based services currently provided pursuant to § 1915(c) of title XIX of the United States Code
16 into a single system of home and community- based services that include options for consumer
17 direction and shared living. The resulting single home and community-based services system
18 shall replace and supersede all §1915(c) programs when fully implemented. Notwithstanding the
19 foregoing, the resulting single program home and community-based services system shall include
20 the continued funding of assisted living services at any assisted living facility financed by the
21 Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and shall be in
22 accordance with chapter 66.8 of title 42 of the general laws as long as assisted living services are
23 a covered Medicaid benefit.

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

28 (f) To promote the expansion of home and community-based service capacity, the
29 executive office is authorized to pursue payment methodology reforms that increase access to
30 homemaker, personal care (home health aide), assisted living, adult supportive care homes, and
31 adult day services, as follows:

32 (1) Development, of revised or new Medicaid certification standards that increase access
33 to service specialization and scheduling accommodations by using payment strategies designed to
34 achieve specific quality and health outcomes.

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

6 The standards for adult day services for persons eligible for Medicaid-funded long-term
7 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-
8 8.10-3.

9 (3) By October 1, 2016, institute an increase in the base payment rates for home care
10 service providers, in an amount to be determined through the appropriations process, for the
11 purpose of implementing a wage pass-through program for personal care attendants and home
12 health aides assisting long-term care beneficiaries. On or before September 1, 2016, Medicaid-
13 funded home health providers seeking to participate in the program shall submit to the secretary
14 for his or her approval a written plan describing and attesting to the manner in which the
15 increased payment rates shall be passed fully through to personal care attendants and home health
16 aides. Any such providers contracting with a Medicaid managed care organization shall develop
17 the plan for the wage pass-through program in conjunction with the managed care entity and shall
18 include assurances by both parties that the base-rate increase is implemented in accordance with
19 the goal of raising the wages of the health workers targeted in this subsection. Participating
20 providers who do not comply with the terms of their wage pass-through plan shall be subject to a
21 clawback, paid by the provider to the state, for any portion of the rate increase administered under
22 this section that the secretary deems appropriate.

23 (g) The executive office shall implement a long-term care options counseling program to
24 provide individuals or their representatives, or both, with long-term care consultations that shall
25 include, at a minimum, information about: long-term care options, sources and methods of both
26 public and private payment for long-term care services and an assessment of an individual's
27 functional capabilities and opportunities for maximizing independence. Each individual admitted
28 to or seeking admission to a long-term care facility regardless of the payment source shall be
29 informed by the facility of the availability of the long-term care options counseling program and
30 shall be provided with long-term care options consultation if they so request. Each individual who
31 applies for Medicaid long-term care services shall be provided with a long-term care consultation.

32 (h) The executive office is also authorized, subject to availability of appropriation of
33 funding, and federal Medicaid-matching funds, to pay for certain services and supports necessary
34 to transition or divert beneficiaries from institutional or restrictive settings and optimize their

1 health and safety when receiving care in a home or the community . The secretary is authorized to
2 obtain any state plan or waiver authorities required to maximize the federal funds available to
3 support expanded access to such home and community transition and stabilization services;
4 provided, however, payments shall not exceed an annual or per person amount.

5 (i) To ensure persons with long-term care needs who remain living at home have
6 adequate resources to deal with housing maintenance and unanticipated housing related costs,
7 secretary is authorized to develop higher resource eligibility limits for persons or obtain any state
8 plan or waiver authorities necessary to change the financial eligibility criteria for long-term
9 services and supports to enable beneficiaries receiving home and community waiver services to
10 have the resources to continue living in their own homes or rental units or other home-based
11 settings.

12 (j) The executive office shall implement, no later than January 1, 2016, the following
13 home and community-based service and payment reforms:

14 (1) Community-based supportive living program established in § 40-8.13-2.1;

15 (2) Adult day services level of need criteria and acuity-based, tiered payment
16 methodology; and

17 (3) Payment reforms that encourage home and community-based providers to provide the
18 specialized services and accommodations beneficiaries need to avoid or delay institutional care.

19 (k) The secretary is authorized to seek any Medicaid section 1115 waiver or state plan
20 amendments and take any administrative actions necessary to ensure timely adoption of any new
21 or amended rules, regulations, policies, or procedures and any system enhancements or changes,
22 for which appropriations have been authorized, that are necessary to facilitate implementation of
23 the requirements of this section by the dates established. The secretary shall reserve the discretion
24 to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with
25 the governor, to meet the legislative directives established herein.

26 SECTION 8. Section 40-8.13-2 of the General Laws in Chapter 40-8.13 entitled “Long-
27 Term Managed Care Arrangements” is hereby amended to read as follows:

28 **40-8.13-2. Beneficiary choice options and informed choice .-** The executive office of
29 health and human services must assure that any beneficiaries enrolling in a ~~Any~~ managed long-
30 term care arrangement ~~shall offer beneficiaries the option to decline participation and remain in~~
31 ~~traditional Medicaid and, if a duals demonstration project, traditional Medicare. Beneficiaries~~
32 ~~must be~~ are provided with options counseling, as required under §40-8.9-9, in the person-centered
33 care planning process that includes sufficient information to ~~make~~ assist them in making an
34 informed choice ~~regarding enrollment, including~~ about the delivery of their care.

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

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

6 ~~(3) A contact person who can assist the beneficiary in making decisions about~~
7 ~~enrollment;~~

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

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

15 SECTION 9. Section 42-7.2-5 of the General Laws in Chapter 42-7.2 entitled "Office of
16 Health and Human Services" is hereby amended to read as follows:

17 **42-7.2-5 Duties of the secretary.** – The secretary shall be subject to the direction and
18 supervision of the governor for the oversight, coordination and cohesive direction of state
19 administered health and human services and in ensuring the laws are faithfully executed,
20 notwithstanding any law to the contrary. In this capacity, the Secretary of Health and Human
21 Services shall be authorized to:

22 (1) Coordinate the administration and financing of health care benefits, human services
23 and programs including those authorized by the state's Medicaid section 1115 demonstration
24 waiver and, as applicable, the Medicaid State Plan under Title XIX of the US Social Security Act.
25 However, nothing in this section shall be construed as transferring to the secretary the powers,
26 duties or functions conferred upon the departments by Rhode Island public and general laws for
27 the administration of federal/state programs financed in whole or in part with Medicaid funds or
28 the administrative responsibility for the preparation and submission of any state plans, state plan
29 amendments, or authorized federal waiver applications, once approved by the secretary.

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

32 (3)(a) Review and ensure the coordination of the state's Medicaid section 1115
33 demonstration waiver requests and renewals as well as any initiatives and proposals requiring
34 amendments to the Medicaid state plan or category two (II) or three (III) changes, as described in

1 the special terms and conditions of the state's Medicaid section 1115 demonstration waiver with
2 the potential to affect the scope, amount or duration of publicly-funded health care services,
3 provider payments or reimbursements, or access to or the availability of benefits and services as
4 provided by Rhode Island general and public laws. The secretary shall consider whether any such
5 changes are legally and fiscally sound and consistent with the state's policy and budget priorities.
6 The secretary shall also assess whether a proposed change is capable of obtaining the necessary
7 approvals from federal officials and achieving the expected positive consumer outcomes.
8 Department directors shall, within the timelines specified, provide any information and resources
9 the secretary deems necessary in order to perform the reviews authorized in this section;

10 (b) Direct the development and implementation of any Medicaid policies, procedures, or
11 systems that may be required to assure successful operation of the state's health and human
12 services integrated eligibility system and coordination with HealthSource RI, the state's health
13 insurance marketplace.

14 (c) Beginning in 2015, conduct on a biennial basis a comprehensive review of the
15 Medicaid eligibility criteria for one or more of the populations covered under the state plan or a
16 waiver to ensure consistency with federal and state laws and policies, coordinate and align
17 systems, and identify areas for improving quality assurance, fair and equitable access to services,
18 and opportunities for additional financial participation.

19 (d) Implement service organization and delivery reforms that facilitate service
20 integration, increase value, and improve quality and health outcomes.

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

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

27 (ii) Expenditures, outcomes and utilization rates by population and sub-population served
28 (e.g. families with children, persons with disabilities, children in foster care, children receiving
29 adoption assistance, adults ages nineteen (19) to sixty-four (64), and elders);

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

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

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

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

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

10 (i) Direct implementation of reforms in the human resources practices of the executive
11 office and the departments that streamline and upgrade services, achieve greater economies of
12 scale and establish the coordinated system of the staff education, cross-training, and career
13 development services necessary to recruit and retain a highly-skilled, responsive, and engaged
14 health and human services workforce;

15 (ii) Encourage EOHHS-wide consumer-centered approaches to service design and
16 delivery that expand their capacity to respond efficiently and responsibly to the diverse and
17 changing needs of the people and communities they serve;

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

24 (iv) Improve the coordination and efficiency of health and human services legal functions
25 by centralizing adjudicative and legal services and overseeing their timely and judicious
26 administration;

27 (v) Facilitate the rebalancing of the long term system by creating an assessment and
28 coordination organization or unit for the expressed purpose of developing and implementing
29 procedures EOHHS-wide that ensure that the appropriate publicly-funded health services are
30 provided at the right time and in the most appropriate and least restrictive setting;

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

1 (vii) Assure protective services are available to vulnerable elders and adults with
2 developmental and other disabilities by reorganizing existing services, establishing new services
3 where gaps exist and centralizing administrative responsibility for oversight of all related
4 initiatives and programs.

5 (7) Prepare and integrate comprehensive budgets for the health and human services
6 departments and any other functions and duties assigned to the office. The budgets shall be
7 submitted to the state budget office by the secretary, for consideration by the governor, on behalf
8 of the state's health and human services agencies in accordance with the provisions set forth in §
9 35-3-4 of the Rhode Island general laws.

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

12 (9) Establishment of an integrated approach to interdepartmental information and data
13 management that complements and furthers the goals of the unified health infrastructure project
14 initiative and that will facilitate the transition to consumer-centered integrated system of state
15 administered health and human services.

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

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

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

26 (13) Assume responsibility for complying with the provisions of any general or public
27 law or regulation related to the disclosure, confidentiality and privacy of any information or
28 records, in the possession or under the control of the executive office or the departments assigned
29 to the executive office, that may be developed or acquired or transferred at the direction of the
30 governor or the secretary for purposes directly connected with the secretary's duties set forth
31 herein.

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

1 [\(15\) Identify and implement fiscal controls within the overall budget of the office of](#)
2 [health and human services, as needed, to achieve the full savings enacted in the FY 2016](#)
3 [appropriations act under the Reinventing Medicaid Initiative.](#)

4 SECTION 10. Section 42-12-29 of the General Laws in Chapter 42-12 entitled
5 "Department of Human Services" is hereby amended to read as follows:

6 **42-12-29. Children's health account.** – (a) There is created within the general fund a
7 restricted receipt account to be known as the "children's health account." All money in the
8 account shall be utilized by the ~~department of human services~~ [executive office of health and](#)
9 [human services \(executive office\)](#) to effectuate coverage for the following service categories: (1)
10 home health services, which include pediatric private duty nursing and certified nursing assistant
11 services; (2) comprehensive, evaluation, diagnosis, assessment, referral and evaluation
12 (CEDARR) services, which include CEDARR family center services, home based therapeutic
13 services, personal assistance services and supports (PASS) and kids connect services and (3) child
14 and adolescent treatment services (CAITS). All money received pursuant to this section shall be
15 deposited in the children's health account. The general treasurer is authorized and directed to
16 draw his or her orders on the account upon receipt of properly authenticated vouchers from the
17 ~~department of human services~~ [executive office.](#)

18 (b) Beginning ~~January 1, 2016~~ [July 1, 2016](#), a portion of the amount collected pursuant to
19 § 42-7.4-3, up to the actual amount expended or projected to be expended by the state for the
20 services described in § 42-12-29(a), less any amount collected in excess of the prior year's
21 funding requirement as indicated in § 42-12-29(c), but in no event more than the limit set forth in
22 § 42-12-29(d) (the "child health services funding requirement"), shall be deposited in the
23 "children's health account." The funds shall be used solely for the purposes of the "children's
24 health account", and no other.

25 (c) The ~~department of human services~~ [executive office](#) shall submit to the general
26 assembly an annual report on the program and costs related to the program, on or before February
27 1 of each year. The ~~department~~ [executive office](#) shall make available to each insurer required to
28 make a contribution pursuant to § 42-7.4-3, upon its request, detailed information regarding the
29 children's health programs described in subsection (a) and the costs related to those programs.
30 Any funds collected in excess of funds needed to carry out the programs shall be deducted from
31 the subsequent year's funding requirements.

32 (d) The total amount required to be deposited into the children's health account shall be
33 equivalent to the amount paid by the ~~department of human services~~ [executive office](#) for all
34 services, as listed in subsection (a), but not to exceed ~~seven thousand five hundred dollars~~

1 ~~(\$7,500)~~ twelve thousand five hundred dollars (\$12,500) per child per service per year.

2 (e) The children's health account shall be exempt from the indirect cost recovery
3 provisions of § 35-4-27 of the general laws.

4 SECTION 11. Section 15 of Article 5 of Chapter 141 of the Public Laws of 2015 is
5 hereby repealed.

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

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

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

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

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

19 ~~Payments for Graduate Medical Education programs shall be effective July 1, 2015.~~

20 SECTION 12. This article shall take effect upon passage, except as otherwise provided
21 herein.

22 **ARTICLE 10**

23 **RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2016**

24 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained
25 in this act, the following general revenue amounts are hereby appropriated out of any money in
26 the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,
27 2016. The amounts identified for federal funds and restricted receipts shall be made available
28 pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the
29 purposes and functions hereinafter mentioned, the state controller is hereby authorized and
30 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
31 portions thereof as may be required from time to time upon receipt by him or her of properly
32 authenticated vouchers.

33	FY 2016	FY 2016	FY 2016
34	<u>Enacted</u>	<u>Change</u>	<u>Final</u>

1	Administration			
2	<i>Central Management</i>			
3	General Revenues	2,806,924	131,642	2,938,566
4	Office of Digital Excellence	984,019	(240,862)	743,157
5	Total - Central Management	3,790,943	(109,220)	3,681,723
6	<i>Legal Services</i>			
7	General Revenues	2,166,696	(10,614)	2,156,082
8	Total – Legal Services	2,166,696	(10,614)	2,156,082
9	<i>Accounts and Control</i>			
10	General Revenues	4,080,143	(43,997)	4,036,146
11	Total - Accounts and Control	4,080,143	(43,997)	4,036,146
12	<i>Office of Management and Budget</i>			
13	General Revenues	4,146,713	461,716	4,608,429
14	Restricted Receipts	0	26,308	26,308
15	Total - Office of Management and Budget	4,146,173	488,024	4,634,737
16	<i>Purchasing</i>			
17	General Revenues	2,764,921	(142,728)	2,622,193
18	Other Funds	320,487	(45,250)	275,237
19	Total – Purchasing	3,085,408	(187,978)	2,897,430
20	<i>Auditing</i>			
21	General Revenues	1,476,262	(49,846)	1,426,416
22	Total – Auditing	1,476,262	(49,846)	1,426,416
23	<i>Human Resources</i>			
24	General Revenues	7,679,763	(267,018)	7,412,745
25	Federal Funds	800,576	(49,935)	750,641
26	Restricted Receipts	489,333	(21,186)	468,147
27	Other Funds	1,401,403	(6)	1,401,397
28	Total - Human Resources	10,371,075	(338,145)	10,032,930
29	<i>Personnel Appeal Board</i>			
30	General Revenues	119,874	14,570	134,444
31	Total – Personnel Appeal Board	119,874	14,570	134,444
32	<i>Facilities Management</i>			
33	General Revenues	32,172,352	858,9943	3,031,346
34	Federal Funds	1,208,674	(51,034)	1,157,640

1	Restricted Receipts	376,880	13,766	390,646
2	Other Funds	3,923,319	(88,901)	3,834,418
3	Total – Facilities Management	37,681,225	732,835	38,414,050
4	<i>Capital Projects and Property Management</i>			
5	General Revenues	2,967,816	(1,329,538)	1,638,278
6	Federal Funds	21,955	(21,995)	0
7	Restricted Receipts	127,339	(127,339)	0
8	Other Funds- Statewide Capital Consolidation	495,821	(495,821)	0
9	Total – Capital Projects and			
10	Property Management	3,612,931	(1,974,653)	1,638,278
11	<i>Information Technology</i>			
12	General Revenues	20,201,589	(125,592)	20,075,997
13	Federal Funds	6,746,649	4,198	6,750,847
14	Restricted Receipts	10,193,681	6,491,097	16,684,778
15	Other Funds	2,829,157	(156,970)	2,672,187
16	Total – Information Technology	39,971,076	6,212,733	46,183,809
17	<i>Library and Information Services</i>			
18	General Revenues	1,229,995	(12,414)	1,217,581
19	Federal Funds	1,204,253	61,634	1,265,887
20	Restricted Receipts	180	(152)	28
21	Total - Library and Information Services	2,434,428	49,068	2,483,496
22	<i>Planning</i>			
23	General Revenues	1,316,146	49,049	1,365,195
24	Federal Funds	1,073,871	(61,978)	1,011,893
25	Other Funds			
26	Federal Highway – PL Systems Planning	3,254,638	(338,301)	2,916,337
27	Air Quality Modeling	0	24,000	24,000
28	Other Funds Total	3,254,638	(314,301)	2,940,337
29	Total - Planning	5,644,655	(327,230)	5,317,425
30	<i>General</i>			
31	General Revenues			
32	Miscellaneous Grants/Payments	971,049	0	971,049
33	Torts – Courts/Awards	400,000	0	400,000
34	State Employees/Teachers Retiree Health Subsidy	2,321,057	0	2,321,057

1	Resource Sharing and State Library Aid	8,773,398	0	8,773,398
2	RIPTA	2,000,000	0	2,000,000
3	Library Construction Aid	2,663,300	0	2,663,300
4	Total General Revenues	17,128,804	0	17,128,804
5	Federal Funds	4,345,555	0	4,345,555
6	Restricted Receipts	421,500	0	421,500
7	Rhode Island Capital Plan Funds			
8	Statehouse Renovations	575,000	5,905	580,905
9	DoIT Enterprise Operations Center	619,000	(219,000)	400,000
10	Cranston Street Armory	983,501	516,499	1,500,000
11	Cannon Building	1,465,000	(465,000)	1,000,000
12	Zambarano Building Rehabilitation	1,795,000	705,000	2,500,000
13	Pastore Center Rehab DOA Portion	2,793,000	(293,000)	2,500,000
14	Old State House	1,225,000	(235,000)	990,000
15	State Office Building	3,148,000	(1,048,000)	2,100,000
16	Old Colony House	695,000	(195,000)	500,000
17	William Powers Building	1,450,000	925,954	2,375,954
18	Pastore Center Utility Systems Upgrade	3,487,000	(2,487,000)	1,000,000
19	Replacement of Fueling Tanks	640,000	0	640,000
20	Environmental Compliance	200,000	(117,204)	82,796
21	Big River Management Area	120,000	0	120,000
22	Washington County Government Center	825,000	(400,000)	425,000
23	Veterans Memorial Auditorium	250,000	2,033	252,033
24	Chapin Health Laboratory	510,000	(10,000)	500,000
25	Pastore Center Parking	1,000,000	(830,000)	170,000
26	Pastore Center Water Tanks	280,000	100,000	380,000
27	RI Convention Center Authority	1,000,000	500,000	1,500,000
28	Dunkin Donuts Center	1,387,500	289,586	1,677,086
29	Mathias Building Renovation	3,100,000	(696,000)	2,404,000
30	McCoy Stadium	250,000	(100,000)	150,000
31	Pastore Power Plant	500,000	75,000	575,000
32	Virks Building Renovations	6,500,000	(3,175,000)	3,325,000
33	Harrington Hall Renovations	1,679,493	200,961	1,880,454
34	Accessibility – Facility Renovations	1,000,000	0	1,000,000

1	State House Energy Mgt Improvements	346,000	150,324	496,324
2	Veterans Land Purchase	250,000	705,750	955,750
3	Pastore Center Demolition	1,700,000	(1,530,000)	170,000
4	Zambarano Wood Chip Boiler	0	13,841	13,841
5	Pastore Cottages Rehabilitation	0	166,991	166,991
6	Ladd Center Demolition	0	204,523	204,523
7	Other Funds Total	39,773,494	(7,237,837)	32,535,657
8	Total – General	61,669,353	(7,237,837)	54,431,516
9	<i>Debt Service Payments</i>			
10	General Revenues	99,137,176	13,452,908	112,590,084
11	Of the general revenue appropriations for debt service, the General Treasurer is authorized to			
12	make payments for the I-195 Redevelopment District Commission loan up to the maximum debt			
13	service due in accordance with the loan agreement.			
14	Federal Funds	2,657,152	0	2,657,152
15	Restricted Receipts	2,085,410	1,334,970	3,420,380
16	Other Funds			
17	Transportation Debt Service	46,011,341	0	46,011,341
18	Investment Receipts – Bond Funds	100,000	0	100,000
19	COPS - DLT Building – TDI	271,653	0	271,653
20	Other Funds Total	46,382,994	0	46,382,994
21	Total - Debt Service Payments	150,262,732	14,787,878	165,050,610
22	<i>Energy Resources</i>			
23	Federal Funds	406,587	30,503	437,090
24	Restricted Receipts	10,194,871	8,965,117	19,159,988
25	Total – Energy Resources	10,601,458	8,995,620	19,597,078
26	<i>Rhode Island Health Benefits Exchange</i>			
27	General Revenues	2,625,841	0	2,625,841
28	Federal Funds	24,746,063	867,126	25,613,189
29	Restricted Receipts	3,554,716	(19,951)	3,534,765
30	Total - Rhode Island Health Benefits	30,926,620	847,175	31,773,795
31	Exchange			
32	<i>Construction Permitting, Approvals and Licensing</i>			
33	General Revenues	1,615,416	91,637	1,707,053
34	Restricted Receipts	1,409,497	(151,084)	1,258,413

1		Total – Construction Permitting, Approvals and			
2		Licensing	3,024,913	(59,447)	2,965,466
3	<i>Office of Diversity, Equity, and Opportunity</i>				
4		General Revenues	1,098,841	(31,311)	1,067,530
5		Federal Funds	91,294	(91,294)	0
6		Other Funds	0	91,226	91,226
7		Total – Office of Diversity, Equity and			
8		Opportunity	1,190,135	(31,379)	1,158,756
9	<i>Personnel and Operational Reforms</i>				
10		General Revenues	(8,225,000)	6,225,000	(2,000,000)
11		Total - Personnel and			
12		Operational Reforms	(8,225,000)	6,225,000	(2,000,000)
13		Grand Total – General Revenue	197,494,291	19,031,596	216,525,887
14		Grand Total – Administration	368,031,640	27,982,547	396,014,187
15	Business Regulation				
16	<i>Central Management</i>				
17		General Revenues	1,326,772	77,711	1,404,483
18		Total – Central Management	1,326,772	77,711	1,404,483
19	<i>Banking Regulation</i>				
20		General Revenues	1,674,773	133,051	1,807,824
21		Restricted Receipts	37,000	13,000	50,000
22		Total–Banking Regulation	1,711,773	146,051	1,857,824
23	<i>Securities Regulation</i>				
24		General Revenues	962,697	6,999	969,696
25		Restricted Receipts	3,500	11,500	15,000
26		Total - Securities Regulation	966,197	18,499	984,696
27	<i>Insurance Regulation</i>				
28		General Revenues	3,885,752	(332,033)	3,553,719
29		Restricted Receipts	1,877,715	(116,857)	1,760,858
30		Total - Insurance Regulation	5,763,467	(448,890)	5,314,577
31	<i>Office of the Health Insurance Commissioner</i>				
32		General Revenues	535,017	(41,597)	493,420
33		Federal Funds	2,795,240	(26,336)	2,768,904
34		Restricted Receipts	11,500	0	11,500

1	Total – Office of the Health Insurance			
2	Commissioner	3,341,757	(67,933)	3,273,824
3	<i>Board of Accountancy</i>			
4	General Revenues	16,654	(10,654)	6,000
5	Total – Board of Accountancy	16,654	(10,654)	6,000
6	<i>Commercial Licensing, Racing & Athletics</i>			
7	General Revenues	561,821	75,130	636,951
8	Restricted Receipts	659,062	(7,869)	651,193
9	Total - Commercial Licensing, Racing &			
10	Athletics	1,220,883	67,261	1,288,144
11	<i>Boards for Design Professionals</i>			
12	General Revenues	273,009	(9,462)	263,547
13	Total – Boards for Design Professionals	273,009	(9,462)	263,547
14	Grand Total – General Revenues	9,236,495	(100,855)	9,135,640
15	Grand Total - Business Regulation	14,620,512	(227,417)	14,393,095
16	Executive Office of Commerce			
17	<i>Central Management</i>			
18	General Revenues	956,254	(3,290)	952,964
19	<i>Housing and Community Development</i>			
20	General Revenues	593,082	7,391	600,473
21	Federal Funds	10,983,803	80,075	11,063,878
22	Restricted Receipts	2,800,000	1,200,000	4,000,000
23	Total – Housing and Community Development	14,376,885	1,287,466	15,664,351
24	<i>Quasi-Public Appropriations</i>			
25	General Revenues			
26	Rhode Island Commerce Corporation	7,394,514	0	7,394,514
27	Rhode Island Commerce Corporation-			
28	Legislative Grants	1,026,492	0	1,026,492
29	Airport Impact Aid	1,025,000	0	1,025,000
30	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be			
31	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of			
32	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent			
33	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the			
34	calendar year 2015 at North Central Airport, Newport-Middletown Airport, Block Island Airport,			

1 Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island
 2 Commerce Corporation shall make an impact payment to the towns or cities in which the airport
 3 is located based on this calculation. Each community upon which any parts of the above airports
 4 are located shall receive at least \$25,000.

5	STAC Research Alliance	1,150,000	0	1,150,000
6	Innovative Matching Grants/Internships	1,000,000	0	1,000,000
7	1-195 Redevelopment District Commission	761,000	170,305	931,305
8	Executive Office of Commerce Programs	3,100,000	0	3,100,000
9	Chafee Center at Bryant	376,200	0	376,200
10	Other Funds			
11	Rhode Island Capital Plan Funds			
12	I-195 Redevelopment District Commission	300,000	0	300,000
13	Total- Quasi-Public Appropriations	16,133,206	170,3051	6,303,511
14	<i>Economic Development Initiatives Fund</i>			
15	General Revenues			
16	Small Business Assistance Program	5,458,000	0	5,458,000
17	Anchor Institution Tax Credits	1,750,000	(1,000,000)	750,000
18	Innovation Initiative	500,000	500,000	1,000,000
19	Cluster Grants	750,000	0	750,000
20	1-195 Development Fund	25,000,000	0	25,000,000
21	Affordable Housing Fund	3,000,000	0	3,000,000
22	Main Street RI Streetscape Improvements	1,000,000	0	1,000,000
23	Rebuild RI Tax Credit Fund	1,000,000	0	1,000,000
24	First Wave Closing Fund	5,000,000	0	5,000,000
25	Innovation Vouchers	0	500,000	500,000
26	Total- Economic Development Initiatives			
27	Fund	43,458,000	0	43,458,000
28	Grand Total – General Revenues	60,840,542	174,406	61,014,948
29	Grand Total - Executive Office of			
30	Commerce	74,924,345	1,454,481	76,378,826
31	Labor and Training			
32	<i>Central Management</i>			
33	General Revenues	110,537	8,442	118,979
34	Restricted Receipts	369,575	415,227	784,802

1	Other Funds			
2	Rhode Island Capital Plan Funds			
3	Center General Asset Protection	1,500,000	0	1,500,000
4	Center General Roof	256,691	986,358	1,243,049
5	Total Other Funds	1,756,691	986,358	2,743,049
6	Total - Central Management	2,236,803	1,410,027	3,646,830
7	<i>Workforce Development Services</i>			
8	General Funds <u>Revenues</u>	704,517	164,945	869,462
9	Federal Funds	19,475,428	18,791,304	38,266,732
10	Restricted Receipts	10,339,896	6,408,431	16,748,327
11	Other Funds	0	222,932	222,932
12	Total - Workforce Development Services	30,519,841	25,587,612	56,107,453
13	<i>Workforce Regulation and Safety</i>			
14	General Revenues	2,925,633	16,842	2,942,475
15	Total – Workforce Regulation and Safety	2,925,633	16,842	2,942,475
16	<i>Income Support</i>			
17	General Revenues	4,194,431	(52,635)	4,141,796
18	Federal Funds	18,688,633	(263,761)	18,424,872
19	Restricted Receipts	2,283,733	10,762,397	13,046,130
20	Other Funds			
21	Temporary Disability Insurance Fund	193,989,337	(10,377,270)	183,612,067
22	Employment Security Fund	180,000,000	(21,600,000)	158,400,000
23	Other Funds Total	373,989,337	(31,977,270)	342,012,067
24	Total - Income Support	399,156,134	(21,531,269)	377,624,865
25	<i>Injured Workers Services</i>			
26	Restricted Receipts	8,501,946	217,479	8,719,425
27	Total – Injured Workers Services	8,501,946	217,479	8,719,425
28	<i>Labor Relations Board</i>			
29	General Revenues	389,651	10,354	400,005
30	Total - Labor Relations Board	389,651	10,354	400,005
31	Grand Total - General Revenues	8,324,769	147,948	8,472,717
32	Grand Total - Labor and Training	443,730,008	5,711,045	449,441,053
33	Department of Revenue			
34	<i>Director of Revenue</i>			

1	General Revenues	1,144,238	(356,658)	787,580
2	Total – Director of Revenue	1,144,238	(356,658)	787,580
3	<i>Office of Revenue Analysis</i>			
4	General Revenues	574,490	(21,258)	553,232
5	Total – Office of Revenue Analysis	574,490	(21,258)	553,232
6	<i>Lottery Division</i>			
7	Other Funds	303,850,780	52,344,725	356,195,
8	<i>Rhode Island Capital Plan Funds</i>			
9	Lottery Building Renovations	0	258,697	258,697
10	Other Funds Total	303,850,780	52,603,422	356,454,202
11	Total – Lottery Division	303,850,780	52,603,422	356,454,202
12	<i>Municipal Finance</i>			
13	General Revenues	2,186,998	275,728	2,462,726
14	Total – Municipal Finance	2,186,998	275,728	2,462,726
15	<i>Taxation</i>			
16	General Revenues	19,725,849	(99,813)	19,626,036
17	Federal Funds	1,267,991	40,308	1,308,299
18	Restricted Receipts	877,550	41,160	918,710
19	<i>Other Funds</i>			
20	Motor Fuel Tax Evasion	16,148	0	16,148
21	Temporary Disability Insurance	932,395	29,692	962,087
22	Other Funds Total	948,5432	9,692	978,235
23	Total – Taxation	22,819,933	11,347	22,831,280
24	<i>Registry of Motor Vehicles</i>			
25	<i>General Revenues</i>			
26	General Revenues	19,323,244	438,784	19,762,028
27	License Plate Issuance	3,000,000	(3,000,000)	0
28	All unexpended or unencumbered balances as of June 30, 2016 relating to license plate reissuance			
29	are hereby reappropriated to fiscal year 2017.			
30	General Revenues Total	22,323,244	(2,561,216)	19,762,028
31	Federal Funds	47,163	3,933,297	3,980,460
32	Restricted Receipts	2,094,763	1,000,000	3,094,763
33	Total - Registry of Motor Vehicles	24,465,170	2,372,081	26,837,251
34	<i>State Aid</i>			

1	General Revenue			
2	Distressed Communities Relief Fund	10,384,458	0	10,384,458
3	Payment in Lieu of Tax Exempt Properties	40,080,409	0	40,080,409
4	Motor Vehicle Excise Tax Payments	10,000,000	0	10,000,000
5	Property Revaluation Program	1,778,760	0	1,778,760
6	Municipal Aid	5,000,000	136,542	5,136,542
7	General Revenue Total	67,243,627	136,542	67,380,169
8	Restricted Receipts	922,013	0	922,013
9	Total – State Aid	68,165,640	136,542	68,302,182
10	Grand Total – General Revenue	113,198,446	(2,626,675)	110,571,771
11	Grand Total – Revenue	423,207,249	55,021,204	478,228,453
12	Legislature			
13	General Revenues	39,474,071	3,015,941	42,490,012
14	Restricted Receipts	1,680,873	(65,050)	1,615,823
15	Grand Total – Legislature	41,154,944	2,950,891	44,105,835
16	Lieutenant Governor			
17	General Revenues	1,127,621	(84,553)	1,043,068
18	Federal Funds	65,000	(65,000)	0
19	Grand Total - Lieutenant Governor	1,192,621	(149,553)	1,043,068
20	Secretary of State			
21	<i>Administration</i>			
22	General Revenues	2,553,390	23,047	2,576,437
23	Total – Administration	2,553,390	23,047	2,576,437
24	<i>Corporations</i>			
25	General Revenues	2,302,691	(87,898)	2,214,793
26	Total – Corporations	2,302,691	(87,898)	2,214,793
27	<i>State Archives</i>			
28	General Revenues	69,266	0	69,266
29	Restricted Receipts	584,108	(77,823)	506,285
30	Total - State Archives	653,374	(77,823)	575,551
31	<i>Elections & Civics</i>			
32	General Revenues	1,017,899	(148,442)	869,457
33	Federal Funds	0	22,859	22,859
34	Total – Elections & Civics	1,017,899	(125,583)	892,316

1	<i>State Library</i>			
2	General Revenues	551,744	4,159	555,903
3	Total – State Library	551,744	4,159	555,903
4	<i>Office of Public Information</i>			
5	General Revenues	456,540	4,972	461,512
6	Restricted Receipts	15,000	10,000	25,000
7	Rhode Island Capital Plan Funds	436,246	26,675	462,921
8	Total – Office of Public Information	907,786	41,647	949,433
9	Grand Total – General Revenues	6,951,530	(204,162)	6,747,368
10	Grand Total – Secretary of State	7,986,884	(222,451)	7,764,433
11	General Treasurer			
12	<i>Treasury</i>			
13	General Revenues	2,193,796	(10,863)	2,182,933
14	Federal Funds	267,251	40,662	307,913
15	Other Funds			
16	Temporary Disability Insurance Fund	218,818	15,596	234,414
17	Tuition Savings Program – Admin	300,000	55,020	355,020
18	Other Funds Total	518,818	70,616	589,434
19	Total – Treasury	2,979,865	100,415	3,080,280
20	<i>State Retirement System</i>			
21	Restricted Receipts			
22	Admin Expenses - State Retirement System	10,230,709	1,077,454	11,308,163
23	Retirement - Treasury Investment Operations	1,235,591	90,491	1,326,082
24	Defined Contribution – Administration	316,195	(216,885)	99,310
25	Total - State Retirement System	11,782,495	951,060	12,733,555
26	<i>Unclaimed Property</i>			
27	Restricted Receipts	22,350,267	(338,791)	22,011,476
28	Total – Unclaimed Property	22,350,267	(338,791)	22,011,476
29	<i>Crime Victim Compensation Program</i>			
30	General Revenues	226,454	(1,745)	224,709
31	Federal Funds	624,704	87,267	711,971
32	Restricted Receipts	1,130,908	(455)	1,130,453
33	Total - Crime Victim Compensation Program	1,982,066	85,067	2,067,133
34	Grand Total – General Revenues	2,420,250	(12,608)	2,407,642

1	Grand Total – General Treasurer	39,094,693	797,751	39,892,444
2	Board of Elections			
3	General Revenues	1,818,305	(20,437)	1,797,868
4	Grand Total - Board of Elections	1,818,305	(20,437)	1,797,868
5	Rhode Island Ethics Commission			
6	General Revenues	1,644,876	(33,757)	1,611,119
7	Grand Total - Rhode Island Ethics			
8	Commission	1,644,876	(33,757)	1,611,119
9	Office of Governor			
10	General Revenues			
11	General Revenues	4,653,467	75,322	4,728,789
12	Contingency Fund	250,000	160,800	410,800
13	Grand Total – Office of Governor	4,903,467	236,122	5,139,589
14	Commission for Human Rights			
15	General Revenues	1,252,174	(8,282)	1,243,892
16	Federal Funds	295,836	15,038	310,874
17	Grand Total - Commission for Human Rights	1,548,010	6,756	1,554,766
18	Public Utilities Commission			
19	Federal Funds	90,000	0	90,000
20	Restricted Receipts	8,594,685	(12,336)	8,582,349
21	Grand Total - Public Utilities Commission	8,684,685	(12,336)	8,672,349
22	Office of Health and Human Services			
23	<i>Central Management</i>			
24	General Revenues	25,831,585	10,766,970	36,598,555
25	Federal Funds			
26	Federal Funds	93,178,746	74,715,518	167,894,264
27	Federal Funds – Stimulus	105,512	(5,427)	100,085
28	Restricted Receipts	5,122,130	(491,718)	4,630,412
29	Total – Central Management	124,237,973	84,985,343	209,223,316
30	<i>Medical Assistance</i>			
31	General Revenues			
32	Managed Care	289,075,534	(1,556,801)	287,518,733
33	Hospitals	109,655,465	(2,786,194)	106,869,271
34	Nursing Facilities	89,819,569	1,442,591	91,262,160

1	Home and Community Based Services	36,301,784	(1,476,104)	34,825,680
2	Other Services	40,661,162	(4,318,498)	36,342,664
3	Of this appropriation, \$496,800 shall be used for cortical integrative therapy services.			
4	Pharmacy	55,060,232	(796,222)	54,264,010
5	Rhody Health	263,528,734	14,811,973	278,340,707
6	General Revenue Total	884,102,480	5,320,745	889,423,225
7	Federal Funds			
8	Managed Care	323,366,137	(2,720,408)	320,645,729
9	Hospitals	110,175,915	(2,827,094)	107,348,821
10	Nursing Facilities	90,976,665	1,461,175	92,437,840
11	Home and Community Based Services	36,769,439	(1,495,119)	35,274,320
12	Other Services	523,288,344	(22,448,573)	500,839,771
13	Pharmacy	(408,865)	(96,405)	(502,270)
14	Rhody Health	265,780,865	13,478,428	279,259,293
15	Special Education	19,000,000	0	19,000,000
16	Federal Funds Total	1,368,948,500	(14,647,996)	1,354,300,504
17	Restricted Receipts	10,615,000	0	10,615,000
18	Total - Medical Assistance	2,263,665,980	(9,327,251)	2,254,338,729
19	Grand Total – General Revenues	909,934,065	16,087,715	926,021,780
20	Grand Total – Office of Health and	2,387,903,953	75,658,092	2,463,562,045
21	Human Services			
22	Children, Youth, and Families			
23	<i>Central Management</i>			
24	General Revenues	5,575,757	613,269	6,189,026
25	Federal Funds	2,288,363	289,871	2,578,234
26	Total - Central Management	7,864,120	903,1408,767,260	
27	<i>Children's Behavioral Health Services</i>			
28	General Revenues	4,593,903	406,560	5,000,463
29	Federal Funds	5,700,246	(512,013)	5,188,233
30	Other Funds			
31	Rhode Island Capital Plan Funds			
32	NAFI Center	0	132,8571	32,857
33	Mt. Hope – Fire Towers	0	137,500	137,500
34	Various Repairs and Improvements to			

1	Training School	1,113,586	(363,586)	750,000
2	Other Funds Total	1,113,586	(93,229)	1,020,357
3	Total - Children's Behavioral Health	11,407,735	(198,682)	11,209,053
4	Services			
5	<i>Juvenile Correctional Services</i>			
6	General Revenues	25,591,602	(491,712)	25,096,890
7	Federal Funds	276,098	1,387	277,485
8	Other Funds			
9	Rhode Island Capital Plan Funds			
10	Thomas C. Slater Trng School			
11	Maintenance Building	535,000	0	535,000
12	Generators-RITS	0	427,000	427,000
13	Other Funds Total	535,000	427,000	962,000
14	Total - Juvenile Correctional Services	26,402,700	(66,325)	26,336,375
15	<i>Child Welfare</i>			
16	General Revenues	116,626,469	1,669,474	118,295,943
17	Federal Funds			
18	Federal Funds	50,228,443	3,055,186	53,283,629
19	Federal Funds – Stimulus	433,976	(52,560)	381,416
20	Federal Funds Total	50,662,419	3,002,626	53,665,045
21	Restricted Receipts	2,838,967	861,396	3,700,363
22	Other Funds			
23	Rhode Island Capital Plan Funds			
24	Fire Code Upgrades	590,000	0	590,000
25	Total - Child Welfare	170,717,855	5,533,496	176,251,351
26	<i>Higher Education Incentive Grants</i>			
27	General Revenues	200,000	0	200,000
28	Total – Higher Education Incentive Grants	200,000	0	200,000
29	Grand Total – General Revenues	152,587,731	2,194,591	154,782,322
30	Grand Total - Children, Youth,			
31	and Families	216,592,410	6,171,629	222,764,039
32	Health			
33	<i>Central Management</i>			
34	General Revenues	319,445	0	319,445

1	Federal Funds	6,513,489	1,425,980	7,939,469
2	Restricted Receipts	4,472,766	(225,017)	4,247,749
3	Total - Central Management	11,305,700	1,200,963	12,506,663
4	<i>State Medical Examiner</i>			
5	General Revenues	2,774,940	(19,312)	2,755,628
6	Federal Funds	138,641	9,783	148,424
7	Total - State Medical Examiner	2,913,581	(9,529)	2,904,052
8	<i>Environmental and Health Services Regulation</i>			
9	General Revenues	9,559,707	458,150	10,017,857
10	Federal Funds	8,148,952	(1,489,563)	6,659,389
11	Restricted Receipts	820,714	288,547	1,109,261
12	Total - Environmental and Health Services	18,529,373	(742,866)	17,786,507
13	Regulation			
14	<i>Health Laboratories</i>			
15	General Revenues	7,375,260	(284,941)	7,090,319
16	Federal Funds	1,976,761	172,550	2,149,311
17	Total - Health Laboratories	9,352,021	(112,391)	9,239,630
18	<i>Public Health Information</i>			
19	General Revenues	1,556,492	(88,235)	1,468,257
20	Federal Funds	2,326,827	(58,338)	2,268,489
21	Total – Public Health Information	3,883,319	(146,573)	3,736,746
22	<i>Community and Family Health and Equity</i>			
23	General Revenues	2,532,862	(25,877)	2,506,985
24	Federal Funds	40,588,026	5,094,678	45,682,704
25	Federal Funds - Stimulus	930,169	306,199	1,236,368
26	Restricted Receipts	24,520,035	5,440,843	29,960,878
27	Total – Community and Family Health			
28	and Equity	68,571,092	10,815,843	79,386,935
29	<i>Infectious Disease and Epidemiology</i>			
30	General Revenues	1,717,250	(156,541)	1,560,709
31	Federal Funds	5,129,569	(1,142,810)	3,986,759
32	Total – Infectious Disease and Epidemiology	6,846,819	(1,299,351)	5,547,468
33	Grand Total – General Revenues	25,835,956	(116,756)	25,719,200
34	Grand Total – Health	121,401,905	9,706,096	131,108,001

1	Human Services			
2	<i>Central Management</i>			
3	General Revenues	5,412,814	(336,243)	5,076,571
4	Federal Funds	4,180,956	(167,615)	4,013,341
5	Restricted Receipts	520,231	2,844	523,075
6	Total - Central Management	10,114,001	(501,014)	9,612,987
7	<i>Child Support Enforcement</i>			
8	General Revenues	2,996,584	(45,901)	2,950,683
9	Federal Funds	6,645,827	199,014	6,844,841
10	Total – Child Support Enforcement	9,642,411	153,113	9,795,524
11	<i>Individual and Family Support</i>			
12	General Revenues	22,970,906	(1,090,399)	21,880,507
13	Federal Funds	121,456,115	14,774,727	136,230,842
14	Federal Funds – Stimulus	6,222,500	2,707,454	8,929,954
15	Federal Funds Total	127,678,615	17,482,181	145,160,796
16	Restricted Receipts	737,279	(184,517)	552,762
17	Other Funds			
18	Rhode Island Capital Plan Fund			
19	Blind Vending Facilities	165,000	35,000	200,000
20	Intermodal Surface Transportation Fund	4,428,478	0	4,428,478
21	Food Stamp Bonus Funding	0	500,000	500,000
22	Other Funds Total	4,593,478	535,000	5,128,478
23	Total - Individual and Family Support	155,980,278	16,742,265	172,722,543
24	<i>Veterans' Affairs</i>			
25	General Revenues	20,496,870	(234,985)	20,261,885
26	Federal Funds	8,215,161	628,064	8,843,225
27	Restricted Receipts	681,500	(435,218)	246,282
28	Total - Veterans' Affairs	29,393,531	(42,139)	29,351,392
29	<i>Health Care Eligibility</i>			
30	General Revenues	8,071,757	1,784,934	9,856,691
31	Federal Funds	11,437,561	974,068	12,411,629
32	Total - Health Care Eligibility	19,509,318	2,759,002	22,268,320
33	<i>Supplemental Security Income Program</i>			
34	General Revenues	18,706,478	(347,478)	18,359,000

1	Total - Supplemental Security Income			
2	Program	18,706,478	(347,478)	18,359,000
3	<i>Rhode Island Works</i>			
4	General Revenues	11,368,635	0	11,368,635
5	Federal Funds	79,065,723	(402,339)	78,663,384
6	Total – Rhode Island Works	90,434,358	(402,339)	90,032,019
7	<i>State Funded Programs</i>			
8	General Revenues	1,658,880	(88,980)	1,569,900
9	Of this appropriation, \$210,000 shall be used for hardship contingency payments.			
10	Federal Funds	268,085,000	14,000,000	282,085,000
11	Total - State Funded Programs	269,743,880	13,911,020	283,654,900
12	<i>Elderly Affairs</i>			
13	General Revenues			
14	Program Services	6,587,459	(184,561)	6,402,898
15	Care and Safety of the Elderly	1,300	0	1,300
16	General Funds Total	6,588,759	(184,561)	6,404,198
17	Federal Funds	12,153,465	(321,087)	11,832,378
18	Restricted Receipts	137,026	(90,664)	46,362
19	Total – Elderly Affairs	18,879,250	(596,312)	18,282,938
20	Grand Total – General Revenues	98,271,683	(543,613)	97,728,070
21	Grand Total - Human Services	622,403,505	31,676,118	654,079,623
22	Behavioral Healthcare, Developmental Disabilities, and Hospitals			
23	<i>Central Management</i>			
24	General Revenues	1,015,570	29,584	1,045,154
25	Federal Funds	600,382	(608)	599,774
26	Total - Central Management	1,615,952	28,976	1,644,928
27	<i>Hospital and Community System Support</i>			
28	General Revenues	1,468,050	(191,468)	1,276,582
29	Federal Funds	0	763,155	763,155
30	Restricted Receipts	762,813	(762,813)	0
31	Other Funds			
32	Rhode Island Capital Plan Funds			
33	Medical Center Rehabilitation	150,000	100,000	250,000
34	Community Facilities Fire Code	400,000	(23,860)	376,140

1	Other Funds Total	550,000	76,140	626,140
2	Total - Hospital and Community System			
3	Support	2,780,863	(114,986)	2,665,877
4	<i>Services for the Developmentally Disabled</i>			
5	General Revenues	114,123,111	2,512,899	116,636,010
6	Federal Funds	113,792,233	4,130,630	117,922,863
7	Restricted Receipts	1,759,132	(32)	1,759,100
8	Other Funds			
9	Rhode Island Capital Plan Funds			
10	DD Private Waiver	300,000	0	300,000
11	Regional Center Repair/Rehabilitation	400,000	26,884	426,884
12	MR Community Facilities/Access to Ind.	500,000	203,088	703,088
13	Other Funds Total	1,200,000	229,972	1,429,972
14	Total - Services for the Developmentally			
15	Disabled	230,874,476	6,873,469	237,747,945
16	<i>Behavioral Healthcare Services</i>			
17	General Revenues	2,368,459	92,619	2,461,078
18	Federal Funds			
19	Federal Funds	14,572,783	2,519,857	17,092,640
20	<u>Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse Task</u>			
21	<u>Forces and \$128,000 shall be expended on NAMI of RI.</u>			
22	Municipal Substance Abuse Task Force	900,000	(900,000)	0
23	NAMI of RI	128,000	(128,000)	0
24	Federal Funds Total	15,600,783	1,491,857	17,092,640
25	Restricted Receipts	100,000	0	100,000
26	Other Funds			
27	Rhode Island Capital Plan Funds			
28	MH Community Facilities Repair	400,000	50,000	450,000
29	MH Housing Development Thresholds	800,000	0	800,000
30	Substance Abuse Asset Production			
31	<u>Protection</u>	100,000	19,359	119,359
32	Other Funds Total	1,300,000	69,359	1,369,359
33	Total – Behavioral Healthcare Services	19,369,242	1,653,835	21,023,077
34	<i>Hospital and Community Rehabilitative Services</i>			

1	General Revenues	53,513,521	(471,054)	53,042,467
2	Federal Funds	52,611,788	418,191	53,029,979
3	Restricted Receipts	6,558,852	(52,195)	6,506,657
4	Other Funds			
5	Rhode Island Capital Plan Funds			
6	Zambarano Buildings and Utilities	346,000	54,000	400,000
7	BHDDH Administrative Buildings	2,000,000	482,057	2,482,057
8	MR Community Facilities	975,000	25,000	1,000,000
9	Hospital Equipment	300,000	0	300,000
10	Other Funds Total	3,621,000	561,057	4,182,057
11	Total Hospital and Community			
12	Rehabilitative Services	116,305,161	455,999	116,761,160
13	Grand Total – General Revenues	172,488,711	1,972,580	174,461,291
14	Grand Total – Behavioral Healthcare,			
15	Developmental Disabilities, and Hospitals	370,945,694	8,897,293	379,842,987
16	Office of the Child Advocate			
17	General Revenues	672,273	(2,856)	669,417
18	Federal Funds	45,000	0	45,000
19	Grand Total – Office of the Child			
20	Advocate	717,273	(2,856)	714,417
21	Commission on the Deaf and Hard of Hearing			
22	General Revenues	411,883	(2,843)	409,040
23	Restricted Receipts	80,000	50,000	130,000
24	Grand Total – Com on Deaf and Hard of			
25	Hearing	491,883	47,157	539,040
26	Governor's Commission on Disabilities			
27	General Revenues	383,056	(1,166)	381,890
28	Federal Funds	35,459	(14,278)	21,181
29	Restricted Receipts	10,009	22,881	32,890
30	Grand Total - Governor's Commission on			
31	Disabilities	428,524	7,437	435,961
32	Office of the Mental Health Advocate			
33	General Revenues	508,251	41,168	549,419
34	Grand Total - Office of the Mental			

1	Health Advocate	508,251	41,168	549,419
2	Elementary and Secondary Education			
3	<i>Administration of the Comprehensive Education Strategy</i>			
4	General Revenues	20,661,893	(131,553)	20,530,340
5	Federal Funds			
6	Federal Funds	196,281,901	4,409,503	200,691,404
7	Federal Funds – Stimulus	5,990,558	2,667,462	8,658,020
8	RTTT LEA Share	100,000	(100,000)	0
9	Federal Funds Total	202,372,459	6,976,965	209,349,424
10	Restricted Receipts			
11	Restricted Receipts	1,082,319	134,750	1,217,069
12	HRIC Adult Education Grants	3,500,000	0	3,500,000
13	Restricted Receipts Total	4,582,319	134,750	4,717,069
14	Other Funds			
15	Rhode Island Capital Plan Funds			
16	State-Owned Warwick	1,000,000	800,000	1,800,000
17	State-Owned Woonsocket	1,000,000	200,000	1,200,000
18	Other Funds Total	2,000,000	1,000,000	3,000,000
19	Total – Administration of the Comprehensive			
20	Education Strategy	229,616,671	7,980,162	237,596,833
21	<i>Davies Career and Technical School</i>			
22	General Revenues	11,640,152	0	11,640,152
23	Federal Funds	1,330,141	89,551	1,419,692
24	Restricted Receipts	4,281,107	74,237	4,355,344
25	Other Funds			
26	Rhode Island Capital Plan Funds			
27	Davies HVAC	895,000	(395,000)	500,000
28	Davies Asset Protection	770,000	0	770,000
29	Other Funds Total	1,665,000	(395,000)	1,270,000
30	Total - Davies Career and Technical			
31	School	18,916,400	(231,212)	18,685,188
32	<i>RI School for the Deaf</i>			
33	General Revenues	6,279,590	(31,025)	6,248,565
34	Federal Funds	259,714	(5,394)	254,320

1	Restricted Receipts	785,791	0	785,791
2	RI School for the Deaf			
3	Transformation Grants	59,000	0	59,000
4	Total - RI School for the Deaf	7,384,095	(36,419)	7,347,676
5	<i>Metropolitan Career and Technical School</i>			
6	General Revenues	9,864,425	0	9,864,425
7	Other Funds			
8	Rhode Island Capital Plan Funds			
9	MET Asset Protection	100,000	0	100,000
10	MET School HVAC	3,736,370	53,694	3,790,064
11	Other Funds Total	3,836,370	53,694	3,890,064
12	Total – Metropolitan Career and			
13	Technical School	13,700,795	53,694	13,754,489
14	<i>Education Aid</i>			
15	General Revenues	796,039,977	(12,465)	796,027,512
16	Restricted Receipts	19,299,709	1,413,857	20,713,566
17	Other Funds			
18	Permanent School Fund Education Aid	300,000	(300,000)	0
19	Other Funds Total	300,000	(300,000)	0
20	Total – Education Aid	815,639,686	1,101,392	816,714,078
21	<i>Central Falls School District</i>			
22	General Revenues	39,520,102	0	39,520,102
23	Total – Central Falls School District	39,520,102	0	39,520,102
24	<i>School Construction Aid</i>			
25	General Revenues			
26	School Housing Aid	70,907,110	0	70,907,110
27	School Building Authority Capital			
28	Fund	20,000,000	0	20,000,000
29	Total – School Construction Aid	90,907,110	0	90,907,110
30	<i>Teachers' Retirement</i>			
31	General Revenues	92,805,836	0	92,805,836
32	Total – Teachers' Retirement	92,805,836	0	92,805,836
33	Grand Total – General Revenues	1,067,719,085	(175,043)	1,067,544,042
34	Grand Total - Elementary and Secondary			

1	Education	1,308,490,695	8,867,617	1,317,358,312
2	Public Higher Education			
3	<i>Office of Postsecondary Commissioner</i>			
4	General Revenues	5,815,323	(11,505)	5,803,818
5	Federal Funds			
6	Federal Funds	10,149,301	341,882	10,491,183
7	WaytogoRI Portal	943,243	0	943,243
8	Guaranty Agency Operating Fund			
9	Scholarships and Grants	4,000,000	0	4,000,000
10	Federal Funds Total	15,092,544	341,882	15,434,426
11	Other Funds			
12	Tuition Savings Program – Dual Enrollment	1,300,000	0	1,300,000
13	Tuitions Savings Program – Scholarship/			
14	Grants	6,095,000	0	6,095,000
15	Total Other Funds	7,395,000	0	7,395,000
16	Total – Office of the Postsecondary Commissioner	28,302,867	330,377	28,633,244
17	<i>University of Rhode Island</i>			
18	General Revenues			
19	General Revenues	71,385,336	(231,401)	71,153,935
20	The University shall not decrease internal student financial aid in the 2015 – 2016			
21	academic year below the level of the 2014 – 2015 academic year. The President of the institution			
22	shall report, prior to the commencement of the 2015-2016 academic year, to the chair of the			
23	Council of Postsecondary Education that such tuition changes and student aid levels have been			
24	achieved at the start of the FY 2016 as prescribed above.			
25	Debt Service	18,186,018	(9,684,183)	8,501,835
26	RI State Forensics Lab	1,072,892	(5,535)	1,067,357
27	General Revenue Total	90,644,246	(9,921,119)	80,723,127
28	Other Funds			
29	University and College Funds	591,203,000	40,362,648	631,565,648
30	Debt – Dining Services	1,113,621	(3,082)	1,110,539
31	Debt – Education and General	3,599,062	(4,758)	3,594,304
32	Debt – Health Services	136,256	10,000	146,256
33	Debt – Housing Loan Funds	10,607,660	1,788	10,609,448
34	Debt – Memorial Union	324,358	(5,403)	318,955

1	Debt – Ryan Center	2,793,305	(1,000)	2,792,305
2	Debt – Alton Jones Services	103,119	0	103,119
3	Debt - Parking Authority	1,029,157	8,953	1,038,110
4	Debt – Sponsored Research	90,278	(500)	89,778
5	Debt – Energy Conservation	1,709,986	0	1,709,986
6	Debt – Restricted Energy Conservation	810,1701	0	810,180
7	Rhode Island Capital Asset Plan Funds			
8	Asset Protection	7,686,900	0	7,686,900
9	Fire and Safety Protection	3,221,312	2,258,882	5,480,194
10	Electrical Substation	1,200,000	3,026,671	4,226,671
11	New Chemistry Building	4,000,000	0	4,000,000
12	URI/RIC Nursing Education Center	400,000	294,045	694,045
13	URI Bio-Tech Building	0	181,10	181,100
14	White Hall Renovations	0	534,394	534,394
15	Other Funds Total	630,028,184	46,663,748	676,691,932
16	Total – University of Rhode			
17	Island	720,672,430	36,742,629	757,415,059
18	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or			
19	unencumbered balances as of June 30, 2016 relating to the University of Rhode Island are hereby			
20	reappropriated to fiscal year 2017.			
21	<i>Rhode Island College</i>			
22	General Revenues			
23	General Revenues	44,988,362	(197,668)	44,790,694
24	Rhode Island College shall maintain tuition charges in the 2015 – 2016 academic			
25	year at the same level as the 2014 – 2015 academic year. The President of the institution shall			
26	report, prior to the commencement of the 2015 – 2016 academic year, to the chair of the Council			
27	of Postsecondary Education that such tuition charges and student aid levels have been achieved at			
28	the start of FY 2016 as prescribed above.			
29	Debt Service	5,214,649	(3,809,446)	1,405,203
30	General Funds Total	50,203,011	(4,007,114)	46,195,897
31	Other Funds			
32	University and College Funds	118,566,770	763,9081	19,330,678
33	Debt – Education and General	879,147	(10)	879,137
34	Debt – Housing	2,013,281	(1,644,459)	368,822

1	Debt – Student Center and Dining	154,330	0	154,330
2	Debt – Student Union	235,481	0	235,481
3	Debt – G.O. Debt Service	1,644,459	0	1,644,459
4	Debt – Energy Conservation	256,275	(128,137)	128,138
5	Rhode Island Capital Plan Funds			
6	Asset Protection	3,080,400	2,189,496	5,269,896
7	Infrastructure Modernization	2,000,000	1,132,574	3,132,574
8	Other Funds Total	128,830,143	2,313,372	131,143,515
9	Total – Rhode Island College	179,033,154	(1,693,742)	177,339,412

10 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
11 unencumbered balances as of June 30, 2016 relating to Rhode Island College are hereby
12 reappropriated to fiscal year 2017.

13 *Community College of Rhode Island*

14 General Revenues

15	General Revenues	47,965,855	(243,857)	47,721,998
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16 The Community College of Rhode Island College shall maintain tuition charges in the
17 2014 – 2015 academic year at the same level as the 2015 – 2016 academic year. The President of
18 the institution shall report, prior to the commencement of the 2015 – 2016 academic year, to the
19 chair of the Rhode Island Board of Education that such tuition charges and student aid levels have
20 been achieved at the start of FY 2016 as prescribed above.

21	Debt Service	1,676,521	(1,138,284)	538,237
22	General Revenue Total	49,642,376	(1,382,141)	48,260,235
23	Restricted Receipts	653,200	0	653,200
24	Other Funds			
25	University and College Funds	106,862,884	(1,346,292)	105,516,592
26	CCRI Debt Service – Energy Conservation	808,425	0	808,425
27	Rhode Island Capital Plan Funds			
28	Asset Protection	2,184,100	0	2,184,100
29	Knight Campus Renewal	2,000,000	198,9182,198,918	
30	Other Funds Total	111,855,409	(1,147,374)	110,708,035
31	Total – Community College of RI	162,150,985	(2,529,515)	159,621,470

32 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
33 unencumbered balances as of June 30, 2016 relating to the Community College of Rhode Island
34 are hereby reappropriated to fiscal year 2017.

1	Grand Total – General Revenue	196,304,956	15,321,879	180,983,077
2	Grand Total – Public Higher			
3	Education	1,090,159,436	32,849,749	1,123,009,185
4	RI State Council on the Arts			
5	General Revenues			
6	Operating Support	778,478	(3,274)	775,204
7	Grants	1,084,574	0	1,084,574
8	General Revenue Total	1,863,052	(3,274)	1,859,778
9	Federal Funds	775,353	(1,057)	74,296
10	Other Funds			
11	Arts for Public Facilities	1,398,293	(492,993)	905,300
12	Grand Total - RI State Council on the Arts	4,036,698	(497,324)	3,539,374
13	RI Atomic Energy Commission			
14	General Revenues	957,170	(20,720)	936,450
15	Federal Funds	54,699	270,856	325,555
16	Other Funds			
17	URI Sponsored Research	275,300	(12,146)	263,154
18	Rhode Island Capital Plan Funds			
19	RINSC Asset Protection	50,000	28,931	78,931
20	Other Funds Total	325,300	16,785	342,085
21	Grand Total - RI Atomic Energy Commission	1,337,169	266,921	1,604,090
22	RI Historical Preservation and Heritage Commission			
23	General Revenues	1,380,972	49,991	1,430,963
24	Federal Funds	2,075,393	(69,641)	2,005,752
25	Restricted Receipts	428,630	(1,455)	427,175
26	Other Funds			
27	RIDOT – Project Review	71,708	3,659	75,367
28	Eisenhower House	0	125,000	125,000
29	Grand Total – RI Historical Preservation			
30	and Heritage Commission	3,956,703	107,554	4,064,257
31	Attorney General			
32	<i>Criminal</i>			
33	General Revenues	15,461,041	(168,376)	15,292,665
34	Federal Funds	1,291,777	2,457,535	3,749,312

1	Restricted Receipts	6,353,595	(694,409)	5,659,186
2	Total – Criminal	23,106,413	1,594,750	24,701,163
3	<i>Civil</i>			
4	General Revenues	5,285,996	(179,386)	5,106,610
5	Restricted Receipts	896,735	(2,841)	893,894
6	Total – Civil	6,182,731	(182,227)	6,000,504
7	<i>Bureau of Criminal Identification</i>			
8	General Revenues	1,591,162	116,669	1,707,831
9	Total – Bureau of Criminal Identification	1,591,162	116,669	1,707,831
10	<i>General</i>			
11	General Revenues	2,855,011	160,293	3,015,304
12	Other Funds			
13	Rhode Island Capital Plan Fund			
14	Building Renovations and Repairs	300,000	0	300,000
15	Total – General	3,155,011	160,293	3,315,304
16	Grand Total – General Revenues	25,193,210	(70,800)	25,122,410
17	Grand Total - Attorney General	34,035,317	1,689,485	35,724,802
18	Corrections			
19	<i>Central Management</i>			
20	General Revenues	8,958,836	296,345	9,255,181
21	Federal Funds	118,361	228,692	347,053
22	Restricted Receipts	0	206,690	206,690
23	Total – Central Management	9,077,197	731,727	9,808,924
24	<i>Parole Board</i>			
25	General Revenues	1,345,685	45,924	1,391,609
26	Federal Funds	38,000	12,243	50,243
27	Total – Parole Board	1,383,685	58,167	1,441,852
28	<i>Custody and Security</i>			
29	General Revenues	127,071,484	3,638,774	130,710,258
30	Federal Funds		571,986	19,773,591,759
31	Total – Custody and Security	127,643,470	3,658,547	131,302,017
32	<i>Institutional Support</i>			
33	General Revenues	16,595,667	(1,115,206)	15,480,461
34	Other Funds			

1	Rhode Island Capital Plan Fund			
2	Asset Protection	3,750,000	1,250,000	5,000,000
3	Maximum – General Renovations	900,000	100,000	1,000,000
4	General Renovations Women’s	416,000	123,963	539,963
5	Bernadette Guay Roof	500,000	211,000	711,000
6	ISC Exterior Envelope and HVAC	800,000	137,739	937,739
7	Minimum Security Kitchen Expansion	1,100,000	(1,110,000)	0
8	Medium Infrastructure	1,500,000	800,000	2,300,000
9	Women’s Bath Renovations	0	686,925	686,925
10	New Gloria McDonald Building	450,000	(450,000)	0
11	Other Funds Total	9,416,000	1,759,627	11,175,627
12	Total - Institutional Support	26,011,667	644,421	26,656,088
13	<i>Institutional Based Rehab./Population Management</i>			
14	General Revenues	9,524,559	83,135	9,607,694
15	Federal Funds	552,034	282,500	834,534
16	Restricted Receipts	29,464	14,108	43,572
17	Total – Institutional Based Rehab/Pop/Mgt.	10,106,057	379,743	10,485,800
18	<i>Healthcare Services</i>			
19	General Revenue	20,771,182	1,391,537	22,162,719
20	Total – Healthcare Services	20,771,182	1,391,537	22,162,719
21	<i>Community Corrections</i>			
22	General Revenues	15,957,837	(170,836)	15,787,001
23	Federal Funds	57,000	5,348	62,348
24	Restricted Receipts	17,594	1,758	19,352
25	Total – Community Corrections	16,032,431	(163,730)	15,868,701
26	Grand Total - General Revenues	200,225,250	4,169,673	204,394,923
27	Grand Total – Corrections	211,025,689	6,700,412	217,726,101
28	Judiciary			
29	<i>Supreme Court</i>			
30	General Revenues			
31	General Revenues	27,107,017	1,023,779	28,130,796
32	Provided however, that no more than \$932,340 in combined total shall be offset to the Public			
33	Defender’s Office, the Attorney General’s Office, the Department of Corrections, the Department			
34	of Children Youth and Families, and the Department of Public Safety for square-footage			

1	occupancy costs in public courthouses.			
2	Defense of Indigents	3,542,240	0	3,542,240
3	General Funds Total	30,649,257	1,023,779	31,673,036
4	Federal Funds	123,289	3,642	126,931
5	Restricted Receipts	3,103,886	114	3,104,000
6	Other Funds			
7	Rhode Island Capital Plan Fund			
8	Judicial HVAC	900,000	63,038	963,038
9	Judicial Complexes Asset Protection	850,000	23,197	873,197
10	Licht Judicial Complex Restoration	750,000	0	750,000
11	Noel Shelled Courtroom Build Out	3,000,000	0	3,000,000
12	Other Funds Total	5,500,000	86,235	5,586,235
13	Total - Supreme Court	39,376,432	1,113,770	40,490,202
14	<i>Judicial Tenure and Discipline</i>			
15	General Revenues	121,527	(65)	121,462
16	Total – Judicial Tenure and Discipline	121,527	(65)	121,462
17	<i>Superior Court</i>			
18	General Revenues	23,209,940	(177,693)	23,032,247
19	Federal Funds	50,406	67,880	18,286
20	Restricted Receipts	300,000	0	300,000
21	Total - Superior Court	23,560,346	(109,813)	23,450,533
22	<i>Family Court</i>			
23	General Revenues	20,918,555	(425,453)	20,493,102
24	Federal Funds	3,014,025	(39,810)	2,974,215
25	Total - Family Court	23,932,580	(465,263)	23,467,317
26	<i>District Court</i>			
27	General Revenues	12,589,546	(728,242)	11,816,304
28	Federal Funds	243,416	(70,761)	172,655
29	Restricted Receipts	169,251	(13,617)	155,634
30	Total - District Court	13,002,213	(812,620)	12,189,593
31	<i>Traffic Tribunal</i>			
32	General Revenues	8,542,221	(142,255)	8,399,966
33	Total – Traffic Tribunal	8,542,221	(142,225)	8,399,966
34	<i>Workers' Compensation Court</i>			

1	Restricted Receipts	7,763,807	89,247	7,853,054
2	Total – Workers’ Compensation Court	7,763,807	89,247	7,853,054
3	Grand Total – General Revenues	96,031,046	(449,929)	95,581,117
4	Grand Total – Judiciary	116,299,126	(326,999)	115,972,127
5	Military Staff			
6	General Revenues	2,065,434	297,974	2,363,408
7	Federal Funds	15,361,864	(725,283)	14,636,581
8	Restricted Receipts			
9	RI Military Relief Fund	300,000	0	300,000
10	Counter Drug Asset Forfeiture	23,300	64,000	87,300
11	Other Funds			
12	Rhode Island Capital Plan Fund			
13	Armory of Mounted Command Roof Rplmnt	357,500	(107,500)	250,000
14	Asset Protection	700,000	(109,488)	590,512
15	Arsenal Rehabilitation	0	773,423	773,423
16	Burrillville Regional Training Institute	0	22,150	22,150
17	Joint Force Headquarters Building	600,000	0	600,000
18	Other Funds Total	1,657,500	578,585	2,236,085
19	Grand Total – Military Staff	19,408,098	215,276	19,623,374
20	Emergency Management			
21	General Revenues	1,766,002	(3,549)	1,762,453
22	Federal Funds	16,551,541	9,682,187	26,233,728
23	Restricted Receipts	220,375	81,485	301,860
24	Other Funds			
25	Rhode Island Capital Plan Fund			
26	Hurricane Sandy Cleanup	0	232,075	232,075
27	Other Funds Total	0	232,075	232,075
28	Grand Total – Emergency Management	18,537,918	9,992,198	28,530,116
29	Public Safety			
30	<i>Central Management</i>			
31	General Revenues	1,325,286	(21,100)	1,304,186
32	Federal Funds	3,770,143	1,499,373	5,269,516
33	Total – Central Management	5,095,429	1,478,273	6,573,702
34	<i>E-911 Emergency Telephone System</i>			

1	General Revenues	5,377,414	121,626	5,499,040
2	Total - E-911 Emergency Telephone System	5,377,414	121,626	5,499,040
3	<i>State Fire Marshal</i>			
4	General Revenues	3,250,543	(135,145)	3,115,398
5	Federal Funds	396,095	321,106	717,201
6	Restricted Receipts	188,838	97,834	286,672
7	Other Funds			
8	Rhode Island Capital Plan Funds			
9	Fire Academy	2,000,000	874,614	2,874,614
10	Quonset Development Corp	60,541	699	61,240
11	Other Funds Total	2,060,541	875,313	2,935,854
12	Total - State Fire Marshal	5,896,017	1,159,108	7,055,125
13	<i>Security Services</i>			
14	General Revenues	22,680,304	(17,821)	22,662,483
15	Federal Funds	0	21,000	21,000
16	Total – Security Services	22,680,304	3,179	22,683,483
17	<i>Municipal Police Training Academy</i>			
18	General Revenues	254,667	716	255,383
19	Federal Funds	165,754	52,381	218,135
20	Total - Municipal Police Training Academy	420,421	53,097	473,518
21	<i>State Police</i>			
22	General Revenues	64,172,279	(3,751,495)	60,420,784
23	Federal Funds	2,432,080	1,435,195	3,867,275
24	Restricted Receipts	10,987,508	219,062	11,206,570
25	Other Funds			
26	Rhode Island Capital Plan Fund			
27	Barracks and Training	0	400,000	400,000
28	Consolidated Training Academy	1,250,000	(1,250,000)	0
29	DPS Asset Protection	250,000	0	250,000
30	Barrack Renovation	400,000	379,885	779,885
31	State Police Reimbursement from Agencies	0	226,908	226,908
32	Airport Corporation Assistance	377,148	(162,285)	21,863
33	Lottery Commission Assistance	1,450,696	(159,692)	1,291,004
34	Construction Reimbursement	2,936,120	(1,448)	2,934,672

1	Other Funds Total	6,663,964	(566,632)	6,097,332
2	Total - State Police	84,255,831	(2,663,870)	81,591,961
3	Grand Total – General Revenues	97,060,493	(3,803,219)	93,257,274
4	Grand Total – Public Safety	123,725,416	151,413	123,876,829
5	Office of Public Defender			
6	General Revenues	11,621,977	(118,269)	11,503,708
7	Federal Funds	78,370	34,450	112,820
8	Grand Total - Office of Public Defender	11,700,347	(83,819)	11,616,528
9	Environmental Management			
10	<i>Office of the Director</i>			
11	General Revenues			
12	General Revenues	5,162,770	65,185	5,227,955
13	Federal Funds	150,000	0	150,000
14	Restricted Receipts	3,100,511	1,251,965	4,352,476
15	Total – Office of the Director	8,413,281	1,317,150	9,730,431
16	<i>Natural Resources</i>			
17	General Revenues	20,671,723	756,814	21,428,537
18	Federal Funds	19,131,833	2,152,168	21,284,001
19	Restricted Receipts	6,360,768	(182,604)	6,178,164
20	Other Funds			
21	DOT Recreational Projects	181,649	0	181,649
22	Blackstone Bikepath Design	2,059,579	0	2,059,579
23	Transportation MOU	78,350	0	78,350
24	Rhode Island Capital Plan Funds			
25	Dam Repair	750,000	0	750,000
26	Fort Adams Rehabilitation	125,000	80,626	205,626
27	Fort Adams America’s Cup	1,400,000	(1,274,434)	125,566
28	Recreational Facilities Improvements	4,991,000	0	4,991,000
29	Galilee Piers Upgrade	400,000	0	400,000
30	Newport Piers	137,500	(137,500)	0
31	World War II Facility	770,000	828,971	1,598,971
32	Blackstone Valley Bike Path	198,410	(100,000)	98,410
33	Marine Infrastructure/Pier Development	100,000	0	100,000
34	Rocky Point Acquisition/Renovations	200,000	76,562	276,562

1	Natural Resources Offices/Visitor's Center	2,500,000	0	2,500,000
2	Other Funds Total	13,891,488	(525,775)	13,365,713
3	Total - Natural Resources	60,055,812	2,200,603	62,256,415
4	<i>Environmental Protection</i>			
5	General Revenues	11,751,892	16,690	11,768,582
6	Federal Funds	10,025,644	(82,846)	9,942,798
7	Restricted Receipts	8,893,258	38,149	8,931,407
8	Other Funds			
9	Transportation MOU	164,734	0	164,734
10	Total - Environmental Protection	30,835,528	(28,007)	30,807,521
11	Grand Total – General Revenue	37,586,385	838,689	38,425,074
12	Grand Total - Environmental Management	99,304,621	3,489,746	102,794,367
13	Coastal Resources Management Council			
14	General Revenues	2,433,260	(11,405)	2,421,855
15	Federal Funds	2,614,348	1,605,806	4,220,154
16	Restricted Receipts	250,000	0	250,000
17	Other Funds			
18	Rhode Island Capital Plan Funds			
19	South Coast Restoration Project	321,775	0	321,775
20	Shoreline Change Beach SAMP	50,000	(48,374)	1,626
21	Total Other Funds	371,775	(48,374)	323,401
22	Grand Total - Coastal Resources Mgmt.			
23	Council	5,669,383	1,546,027	7,215,410
24	Transportation			
25	<i>Central Management</i>			
26	Federal Funds	8,540,000	312,846	8,852,846
27	Other Funds			
28	Gasoline Tax	2,182,215	1,600,429	3,782,644
29	Total – Central Management	10,722,215	1,913,275	12,635,490
30	Management and Budget			
31	Other Funds			
32	Gasoline Tax	4,530,251	(835,167)	3,695,084
33	Total – Management and Budget	4,530,251	(835,167)	3,695,084
34	<i>Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds</i>			

1	Federal Funds			
2	Federal Funds	240,533,185	10,327,879	250,861,064
3	Federal Funds – Stimulus	14,542,237	0	14,542,237
4	Federal Funds Total	255,075,422	10,327,879	265,403,301
5	Restricted Receipts	1,000,000	(840,494)	159,506
6	Other Funds			
7	Gasoline Tax	73,801,440	(1,288,814)	72,512,626
8	Land Sale Revenue	10,800,000	(8,300,000)	2,500,000
9	Rhode Island Capital Plan Fund			
10	RIPTA Land and Buildings	200,000	0	200,000
11	Highway Improvement Program	34,650,000	8,788,530	43,438,530
12	Other Funds Total	119,451,440	(800,284)	118,651,156
13	Total – Infrastructure Engineering			
14	GARVEE/Motor Fuel Tax Bonds	375,526,862	8,687,101	384,213,963
15	<i>Infrastructure Maintenance</i>			
16	Other Funds			
17	Gasoline Tax	14,127,961	5,659,009	19,786,970
18	Non-Land Surplus Property	10,000	0	10,000
19	Outdoor Advertising	100,000	0	100,000
20	Rhode Island Highway Maintenance Account	54,349,189	4,718,213	59,067,402
21	Rhode Island Capital Plan Fund			
22	Maintenance Facilities Improvements	100,000	(100,000)	0
23	Salt Storage Facilities	1,000,000	0	1,000,000
24	Portsmouth Facility	1,000,000	(1,000,000)	0
25	Maintenance-Capital Equip. Replacement	2,000,000	0	2,000,000
26	Train Station Maintenance and Repairs	350,000	0	350,000
27	Other Funds Total	73,037,150	9,277,222	82,314,372
28	Total – Infrastructure Maintenance	73,037,150	9,277,222	82,314,372
29	Grand Total – Transportation	463,816,478	19,042,431	482,858,909
30	Statewide Totals			
31	General Revenues	3,551,988,738	24,521,744	3,576,510,482
32	Federal Funds	2,947,277,640	166,893,122	3,114,170,762
33	Restricted Receipts	245,496,096	43,298,792	288,794,888
34	Other Funds	1,920,676,257	74,994,009	1,995,670,266

1 Statewide Grand Total 8,665,438,731 309,707,667 8,975,146,398

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

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

14 <u>Account</u>	FY 2016	FY 2016	FY2016
15	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
16 State Assessed Fringe Benefit Internal Service			
17 Fund	38,930,194	1,825,551	40,775,745
18 Administration Central Utilities Internal Service			
19 Fund	17,782,800	(3,089,525)	14,693,275
20 State Central Mail Internal Service Fund	6,203,680	(205,376)	5,998,304
21 State Telecommunications Internal Service Fund			
22	4,122,558	(1,122,596)	2,999,962
23 State Automotive Fleet Internal Service Fund	13,830,623	(1,357,701)	12,472,922
24 Surplus Property Internal Service Fund	2,500	0	2,500
25 Health Insurance Internal Service Fund	251,175,719	436,028	251,611,747
26 Other Post-Employment Benefits Fund	64,293,483	(359,000)	63,934,483
27 Capital Police Internal Service Fund	1,252,144	(112,647)	1,139,497
28 Corrections Central Distribution Center Internal			
29 Service Fund	6,768,097	172,738	6,940,835
30 Correctional Industries Internal Service Fund	7,228,052	117,339	7,345,391
31 Secretary of State Record Center Internal Service Fund	813,687	82,563	96,250

32 SECTION 4. 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 limited shall
 12 receive limited term appointment with the term limited to the availability of non-state general
 13 revenue funding source.

14 FY 2016 FTE POSITION AUTHORIZATION

15	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
16	Administration	711.7 <u>723.7</u>
17	Business Regulation	98.0
18	Executive Office of Commerce	16.0
19	Labor and Training	410.0 <u>416.5</u>
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 <u>87.0</u>
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 <u>1,419.4</u>

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	151.4 153.4
6	School for the Deaf	60.0
7	Davies Career and Technical School	126.0
8	Office of the 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 are	
13	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	8.6
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	752.6 752.0
33	Total	15,118.4 15,139.3

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

1 [school and school district broken down by revenue sources and expenditure categories. Further,](#)
2 [the department shall provide, within the same dashboard, student performance indicators for each](#)
3 [public school and school district.](#)

4 [\(f\) Commencing July 1, 2017, and on a continuing basis thereafter, each local education](#)
5 [agency shall post the following information on its website in a downloadable format, for free](#)
6 [public access:](#)

7 [\(1\) The local education agency's annual budget, commencing with the budget for the](#)
8 [2017-18 budget year, that includes, at a minimum, information at the program and school levels;](#)

9 [\(2\) The local education agency shall post a link to the statewide website operated by the](#)
10 [department of elementary and secondary education which will publish the school and district](#)
11 [level "budget only" and UCOA expenditure data.](#)

12 [\(3\) Each local education agency shall update the information specified in paragraph \(I\) of](#)
13 [this section within sixty days after adoption and/or making any changes to the local education](#)
14 [agency's budget, including any changes made to the budgets of an individual program or school.](#)

15 ~~(d)~~(g) If any school district, regional school district, state school, or charter school fails to
16 install and maintain the uniform system of accounting, including a chart of accounts and
17 approved budget model, or fails to keep its accounts and interdepartmental records, or refuses or
18 neglects to make the reports and to furnish the information in accordance with the method
19 prescribed by the office of auditor general and the department of education, or hinders or prevents
20 the examination of accounts and financial records, the auditor general and the commissioner of
21 education, and/or their respective designee(s), shall make a report to the superintendent of schools
22 of the local education agency, the school committee chairperson, the mayor or town manager, and
23 the president of the town council, and/or for a charter school, to the board of trustees or directors,
24 as applicable, in writing, specifying the nature and extent of the failure, refusal, neglect,
25 hindrance, or prevention, and the commissioner is hereby authorized and directed to review the
26 matter so reported. If the commissioner shall find that failure, refusal, neglect, hindrance, or
27 prevention exists and that the school district, regional school district, state school, or charter
28 school should properly comply in the matter so reported, the commissioner shall direct the school
29 district, regional school district, state school, or charter school, in writing, to so comply. If the
30 failure, refusal, neglect, hindrance, or prevention shall continue for a period of ten (10) days
31 following the written direction, the commissioner may request the board of education for
32 approval to withhold distribution of state aid to said school district, regional school district, state
33 school, or charter school. The board shall hold a hearing and provide the subject school and/or
34 district notice and an opportunity to be heard at said hearing. After hearing thereon, the board

1 may authorize the commissioner to withhold the distribution of state aid to said school district,
2 regional school district, state school, or charter school, if the board determines such sanction is
3 appropriate.

4 ~~(e)~~(h) The department of elementary and secondary education, in consultation with the
5 division of municipal finance, shall conduct periodic reviews and analysis of school revenues and
6 expenses. The department shall also review and monitor compliance with the approved budget
7 model and best practices. The department shall identify those local education agencies considered
8 to be at risk of a year-end deficit or a structural deficit that could impact future years. Such
9 potential deficits shall be identified based on the periodic reviews, which may also include on-site
10 visits and reporting in accordance with the provisions of § 45-12-22.2. Potential deficits shall be
11 reported to the office of municipal finance, office of auditor general, superintendent, chairman of
12 the school committee, mayor or town manager, and the president of the town council, of the
13 applicable school district, regional school district, or state school, and/or for a charter school, to
14 the board of trustees or directors, as applicable.

15 SECTION 2. Section 16-7-22 of the General Laws in Chapter 16-7 entitled "Foundation
16 Level School Support" is hereby amended to read as follows:

17 **16-7-22. Determination of average daily membership.** – Each community shall be paid
18 pursuant to the provisions of § 16-7-17 an amount based upon the following provisions:

19 (1) On or before September 1 of each year the average daily membership of each city and
20 town for the reference year shall be determined by the commissioner of elementary and secondary
21 education from data supplied by the school committee in each community in the following
22 manner: The aggregate number of days of membership of all pupils enrolled full time in grade
23 twelve (12) and below, except that pupils below grade one who are not full time shall be counted
24 on a full-time equivalent basis: (i) Increased by the aggregate number of days of membership of
25 pupils residing in the particular city or town whose tuition in schools approved by the department
26 of elementary and secondary education in other cities and towns is paid by the particular city or
27 town; and (ii) Decreased by the aggregate number of days of membership of nonresident pupils
28 enrolled in the public schools of the particular city or town and further decreased by the aggregate
29 number of days of membership equal to the number of group home beds calculated for the
30 purposes of reimbursement pursuant to § 14-64-1.1; and (iii) Decreased further, in the case of a
31 city or town that is a member of a regional school district during the first year of operation of the
32 regional school district by the aggregate number of days of membership of pupils residing in the
33 city or town who would have attended the public schools in the regional school district if the
34 regional school district had been operating during the previous year, divided by the number of

1 days during which the schools were officially in session during the reference year. The resulting
2 figures shall be the average, daily membership for the city or town for the reference year. For
3 purposes of calculating the permanent foundation education aid as described in § 16-7.2-3(1) and
4 (2), the average, daily membership for school districts shall exclude charter school and state
5 school students, and beginning in school year 2014-2015, include an estimate to ensure that
6 districts converting from a half-day to a full-day kindergarten program pursuant to § 16-99-4 are
7 credited on a full-time basis beginning in the first year of enrollment. ~~and are funded~~
8 ~~notwithstanding the transition plan pursuant to § 16-7.2-7.~~

9 (2) The average daily membership of pupils attending public schools shall apply for the
10 purposes of determining the percentage of the state's share under the provisions of §§ 16-7-16(3),
11 16-7-16(10), 16-7-18, 16-7-19, 16-7-20, 16-7-21 and 16-7.2-4.

12 (3) In the case of regional school districts, the aggregate number of days of membership
13 by which each city or town is decreased in subdivision (1)(iii) of this section, divided by the
14 number of days during which the schools attended by the pupils were officially in session, shall
15 determine the average daily membership for the regional school district during the first year of
16 operation. After the first year of operation, the average, daily membership of each regional school
17 district, except the Chariho regional high school district, shall be determined by the commissioner
18 of elementary and secondary education from data supplied by the school committee of each
19 regional school district for the reference year in the manner provided in subdivision (1) of this
20 section.

21 SECTION 3. Section 16-7-23 of the General Laws in Chapter 16-7 entitled "Foundation
22 Level School Support" are hereby amended to read as follows:

23 **16-7-23. Community requirements – Adequate minimum budget provision.** – (a) The
24 school committee's budget provisions of each community for current expenditures in each budget
25 year shall provide for an amount from all sources sufficient to support the basic program and all
26 other approved programs shared by the state. Effective in fiscal year 2018 and except to the
27 extent permitted by §§ 16-7-23.1 and 16-7-23.2, each community shall contribute local funds to
28 its school committee in the greater of the following two amounts:

29 (1) an amount not less than it's the local contribution for schools in the previous fiscal
30 year ~~except to the extent permitted by §§ 16-7-23.1 and 16-7-23.2. Provided, that for the fiscal~~
31 ~~years 2010 and 2011 each community shall contribute to its school committee in an amount not~~
32 ~~less than ninety five percent (95.0%) of its~~ increased in accordance with the CPI-U measure from
33 the most recent state fiscal year; or

34 (2) the local contribution for schools ~~for the fiscal year 2009.~~ in the previous fiscal year

1 increased on a per pupil basis for each additional pupil when average daily membership as
2 defined in §16-7-16(2) increases by at least one percent (1%) for two consecutive years.

3 (b) Calculation of the annual local contribution shall not include Medicaid revenues
4 received by the municipality or district pursuant to chapter 8 of title 40. A community which has
5 a decrease in enrollment may compute maintenance of effort on a per pupil rather than on an
6 aggregate basis when determining its local contribution but must still adjust its net contribution
7 after the deduction for enrollment decline by the most recent state fiscal year CPI-U increase.;

8 Furthermore, a community which experiences a non-recurring ~~nonrecurring~~ expenditure for its
9 schools may deduct the non-recurring expenditure in computing its maintenance of effort. The
10 deduction of non-recurring ~~nonrecurring~~ expenditures shall be with the approval of the
11 commissioner. Provided, however, that notwithstanding any provision of this title to the contrary,
12 debt service that is no longer carried on the books of any school district shall not be included in
13 any school districts' annual budget, nor shall non-recurring debt service be included in
14 maintenance of effort as set forth in this chapter, nor shall any ~~non-recurring~~ non-recurring debt
15 service be included in the operating budget of any school district. For the purposes set forth above
16 non-recurring capital lease payments shall be considered non-recurring debt service. The courts
17 of this state shall enforce this section by means of injunctive relief.

18 (b)(c) Whenever any state funds are appropriated for educational purposes, the funds
19 shall be used for educational purposes only and all state funds appropriated for educational
20 purposes must be used to supplement any and all money allocated by a city or town for
21 educational purposes and, in no event, shall state funds be used to supplant, directly or indirectly,
22 any money allocated by a city or town for educational purposes. All state funds shall be
23 appropriated by the municipality to the school committee for educational purposes in the same
24 fiscal year in which they are appropriated at the state level even if the municipality has already
25 adopted a school budget. All state and local funds unexpended by the end of the fiscal year of
26 appropriation shall remain a surplus of the school committee and shall not revert to the
27 municipality. Any surplus of state or local funds appropriated for educational purposes shall not
28 in any respect affect the requirement that each community contribute local funds in an amount
29 determined by ~~not less than its local contribution for schools in the previous fiscal year, subject to~~
30 subsection (a) of this section, and shall not in any event be deducted from the amount of the local
31 appropriation required to meet the maintenance of effort provision in any given year.

32 SECTION 4. Sections 16-7.2.1, 16-7.2-3, 16-7.2-4, 16-7.2-5, and 16-7.2-6 of the General
33 Laws in Chapter 16-7.2 entitled "The Education Equity and Property Tax Relief Act" are hereby
34 amended to read as follows:

1 **16-7.2-1. Legislative findings.** – (a) The general assembly recognizes the need for an
2 equitable distribution of resources among the state's school districts, property tax relief and a
3 predicable method of distributing education aid. The general assembly finds that there is a need to
4 reform the way public education is financed because:

5 (1) All children should have access to an adequate and meaningful education regardless
6 of their residence or economic means;

7 (2) A school funding system should treat property taxpayers equably, limit the portion of
8 school budgets financed by property taxes, and establish sufficient cost controls on school
9 spending;

10 (3) The state should ensure that its school funding structure adequately reflects the
11 different needs of students, and closes the educational inequities among the state's school
12 districts; and

13 (4) The state education funding system should provide a predicable amount and source of
14 funding to ensure stability in the funding of schools.

15 (b) The intent of this chapter is to promote a school finance system in Rhode Island that
16 is predicated on student need and taxpayer ability to pay. A new school funding system in the
17 state should promote educational equity for all students and reduce the reliance on the property
18 tax to fund public education. This legislation is intended to ensure educational opportunity to
19 each pupil in each city or town on substantially equal terms. Adequate per pupil support will be
20 provided through a combination of state school aid and local education property tax levies.

21 [\(c\) In order to ensure the predictability, equity, and accuracy of the distribution of state](#)
22 [education aid pursuant to this chapter, the department of elementary and secondary education](#)
23 [shall review the overall functioning of the formula and systems set forth herein in intervals of no](#)
24 [less than every five fiscal years and make appropriate recommendations to the General Assembly.](#)

25 **16-7.2-3. Permanent foundation education aid established.** – (a) Beginning in the
26 2012 fiscal year, the following foundation education aid formula shall take effect. The foundation
27 education aid for each district shall be the sum of the core instruction amount in (a)(1) and the
28 amount to support high need students in (a)(2), which shall be multiplied by the district state
29 share ratio calculated pursuant to § 16-7.2-4 to determine the foundation aid.

30 (1) The core instruction amount shall be an amount equal to a statewide per pupil core
31 instruction amount as established by the department of elementary and secondary education,
32 derived from the average of northeast regional expenditure data for the states of Rhode Island,
33 Massachusetts, Connecticut, and New Hampshire from the National Center for Education
34 Statistics (NCES) that will adequately fund the student instructional needs as described in the

1 basic education program and multiplied by the district average daily membership as defined in §
2 16-7-22. Expenditure data in the following categories: instruction and support services for
3 students, instruction, general administration, school administration and other support services
4 from the National Public Education Financial Survey as published by NCES and enrollment data
5 from the Common Core of Data also published by NCES will be used when determining the core
6 instruction amount. The core instruction amount will be updated annually. For the purpose of
7 calculating this formula, school districts' resident average daily membership shall exclude charter
8 school and state-operated school students.

9 (2) The amount to support high need students beyond the core instruction amount shall be
10 determined by multiplying a student success factor of forty percent (40%) by the core instruction
11 per pupil amount described in § 16-7.2-3(1) and applying that amount ~~to all resident children~~
12 ~~eligible for USDA reimbursable school meals~~ for each resident child whose family income is at
13 or below 185% of federal poverty guidelines, hereinafter referred to as "poverty status."

14 (b) LEAs may set aside a portion of funds received under subsection (a) to expand
15 learning opportunities such as after school and summer programs, full day kindergarten and/or
16 multiple pathway programs provided that the basic education program and all other approved
17 programs required in law are funded.

18 (c) The department of elementary and secondary education shall promulgate such
19 regulations as are necessary to implement fully the purposes of this chapter.

20 **16-7.2-4. Determination of state's share.** –(a) For each district, the state's share of the
21 foundation education aid calculated pursuant to § 16-7.2-3(a) shall use a calculation that
22 considers a district's revenue generating capacity and concentration of high-need students. The
23 calculation is the square root of the sum of the state share ratio for the community calculation,
24 ~~(SSRC)~~, pursuant to § 16-7-20, squared plus the district's percentage of students ~~eligible for~~
25 ~~USDA reimbursable school meals~~ in grades PK-6 in poverty status (PK6FRPL) squared, divided
26 by two.

27 (b) For purposes of determining the state's share, school district student data used in this
28 calculation shall include charter school and state school students. These ratios are used in the
29 permanent foundation education aid formula calculation described in § 16-7.2-5.

30 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**
31 **High School, and the Metropolitan Regional Career and Technical Center,** – (a) Charter
32 public schools as defined in chapter 77 of this title, the William M. Davies, Jr. Career and
33 Technical High School (Davies) and the Metropolitan Regional Career and Technical Center (the
34 Met Center) shall be funded pursuant to § 16-7.2-3. If the October 1 actual enrollment data for

1 any charter-public school shows a ten percent (10%) or greater change from the prior year
2 enrollment which is used as the reference year average daily membership, the last six monthly
3 ~~third and fourth quarter~~ payments to the charter public school will be adjusted to reflect actual
4 enrollment. The state share of the permanent foundation education aid shall be paid by the state
5 directly to the charter public schools, Davies, and the Met Center pursuant to § 16-7.2-9 and shall
6 be calculated using the state share ratio of the district of residence of the student as set forth in §
7 16-7.2-4. The department of elementary and secondary education shall provide the general
8 assembly with the calculation of the state share of permanent foundation education aid for charter
9 public schools delineated by school district.

10 (b) Beginning in FY 2017, there shall be a \$355 per pupil reduction to the local funding
11 sent by the district of residence to charter public schools, Davies, and the Met Center. This
12 reduction is the result of balancing expenses in the areas of debt service, rental, retiree health
13 benefits, out of district special education placement, services for 18-21-year old students, pre-
14 school screening and intervention, and career and technical education tuition. In order to ensure
15 accuracy, this overall adjustment shall be reviewed and recalculated every three years in a manner
16 to be determined by the commissioner of elementary and secondary education.

17 ~~The department shall also provide the general assembly a performance dashboard~~
18 ~~indicating the per pupil expenditures of each school district and charter school broken down by~~
19 ~~revenue sources and expenditure categories. The department shall provide, within the same~~
20 ~~dashboard, student performance indicators for each school district or charter school.~~ (c) The local
21 share of education funding, as defined by the department of elementary and secondary education
22 ~~and approved by the General Assembly~~, shall be paid to the charter public school, Davies, and the
23 Met Center by the district of residence of the student and shall be the local per-pupil cost, which
24 consists of ~~calculated by dividing~~ the local appropriation to education from property taxes, net of
25 debt service, ~~and~~ capital projects, and the local share of education funding paid to the charter
26 public schools, Davies, and the Met Center in reference year 2014, as defined in the uniform chart
27 of accounts, divided by the average daily membership for each city and town, pursuant to § 16-7-
28 22, for the reference year.

29 ~~(b)~~(d) Local district payments to charter public schools, Davies, and the Met Center for
30 each district's students enrolled in these schools shall be made on a quarterly basis in July,
31 October, January and April; however, the first local district payment shall be made by August 15
32 instead of July. Failure of the community to make the local district payment for its student(s)
33 enrolled in a charter public school, Davies, and/or the Met Center may result in the withholding
34 of state education aid pursuant to § 16-7-31.

1 (e) Beginning in FY 2017, school districts with charter public school, Davies, and the
2 Met Center enrollments that, combined, comprise five percent (5%) or more of the average daily
3 membership as defined in § 16-17-22 shall receive additional aid equal to the number of charter
4 public school, open enrollment schools, Davies, or the Met Center students as of the reference
5 year as defined in 16-7-16(11) times a per pupil amount of three hundred dollars (\$300). The
6 additional aid shall be to offset the adjusted fixed costs retained by the district of residence and
7 shall be recalculated every three years in a manner to be determined by the commissioner of
8 elementary and secondary education.

9 **16-7.2-6. Categorical programs, state funded expenses.** – In addition to the foundation
10 education aid provided pursuant to § 16-7.2-3 the permanent foundation education aid program
11 shall provide direct state funding for:

12 (a) ~~Excess~~ Extraordinary costs associated with special education students. ~~Excess costs~~
13 ~~are defined when an individual special education student's cost shall be deemed to be~~
14 ~~"extraordinary."~~ Extraordinary costs are those educational costs that exceed the state approved
15 threshold based on an amount greater than ~~above~~ five times the core foundation amount (total of
16 core instruction amount plus student success amount). Effective fiscal year 2018, the approved
17 threshold shall be based on an amount greater than four times the core foundation amount. The
18 department of elementary and secondary education shall prorate the funds available for
19 distribution among those eligible school districts if the total approved costs for which school
20 districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year;

21 (b) Career and technical education costs to help meet initial investment requirements
22 needed to transform existing or create new comprehensive career and technical education
23 programs and career pathways in critical and emerging industries and to help offset the higher
24 than average costs associated with facilities, equipment maintenance and repair, and supplies
25 necessary for maintaining the quality of highly specialized programs that are a priority for the
26 state. The department shall develop ~~recommend~~ criteria for the purpose of allocating any and all
27 career and technical education funds as may be determined by the general assembly on an annual
28 basis. The department of elementary and secondary education shall prorate the funds available for
29 distribution among those eligible school districts if the total approved costs for which school
30 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

31 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten
32 programs. The department shall recommend criteria for the purpose of allocating any and all early
33 childhood program funds as may be determined by the general assembly;

34 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to assure

1 that appropriate funding is available to support their ~~the community, including~~ students,
2 Additional support for Central Falls is needed ~~from the community that attend the charter schools,~~
3 ~~Davies, and the Met Center pursuant to § 16-7.2-5,~~ due to concerns regarding the city's capacity
4 to meet the local share of education costs. ~~This fund requires that education aid calculated~~
5 ~~pursuant to § 16-7.2-3 and funding for costs outside the permanent foundation education aid~~
6 ~~formula, including but not limited to transportation, facility maintenance, and retiree health~~
7 ~~benefits shall be shared between the state and the city of Central Falls. The fund shall be annually~~
8 ~~reviewed to determine the amount of the state and city appropriation. The state's share of this~~
9 ~~fund may be supported through a reallocation of current state appropriations to the Central Falls~~
10 ~~school district. At the end of the transition period defined in § 16-7.2-7, the municipality will~~
11 ~~continue its contribution pursuant to § 16-7-24~~ Additional support for the Davies and the Met
12 Center is needed due to the costs associated with running a stand-alone high school offering both
13 academic and career and technical coursework. The department shall recommend criteria for the
14 purpose of allocating any and all stabilization funds as may be determined by the general
15 assembly; and

16 (e) Excess costs associated with transporting students to out of district non-public schools
17 and within regional school districts. (1) This fund will provide state funding for the costs
18 associated with transporting students to out of district non-public schools, pursuant to title 16,
19 Chapter 21.1. The state will assume the costs of non-public out-of-district transportation for those
20 districts participating in the statewide system; and (2) This fund will provide direct state funding
21 for the excess costs associated with transporting students within regional school districts,
22 established pursuant to title 16, chapter 3. This fund requires that the state and regional school
23 district share equally the student transportation costs net any federal sources of revenue for these
24 expenditures. The department of elementary and secondary education shall prorate the funds
25 available for distribution among those eligible school districts if the total approved costs for
26 which school districts are seeking reimbursement exceed the amount of funding available in any
27 fiscal year.

28 (f) Public school districts that are regionalized shall be eligible for a regionalization
29 bonus as set forth below.

30 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school
31 district established under the provisions of chapter 16-3 including the Chariho Regional School
32 district.

33 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus
34 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the

1 regionalization bonus shall commence in the first fiscal year following the establishment of a
2 regionalized school district as set forth section 16-3, including the Chariho Regional School
3 District.

4 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the
5 state's share of the foundation education aid for the regionalized district as calculated pursuant to
6 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

7 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the
8 state's share of the foundation education aid for the regionalized district as calculated pursuant to
9 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

10 (5) The regionalization bonus shall cease in the third fiscal year.

11 (6) The regionalization bonus for the Chariho regional school district shall be applied to
12 the state share of the permanent foundation education aid for the member towns.

13 (7) The department of elementary and secondary education shall prorate the funds
14 available for distribution among those eligible regionalized school districts if the total approve
15 costs for which regionalized school districts are seeking a regionalization bonus exceed the
16 amount of funding appropriated in any fiscal year.

17 (g) Costs associated with English learners (EL). The amount to support EL students shall
18 be determined by multiplying an EL factor of ten percent (10%) by the core instruction per pupil
19 amount defined in § 16-7.2-3(a)(1) and applying that amount to EL students identified using
20 widely adopted, independent standards and assessments identified by the Commissioner. All
21 categorical funds distributed pursuant to this subsection must be used to provide high-quality,
22 research-based services to EL students and managed in accordance with requirements set forth by
23 the commissioner of elementary and secondary education. The department of elementary and
24 secondary education shall prorate the funds available for distribution among eligible recipients if
25 the total calculated costs exceed the amount of funding available in any fiscal year.

26 ~~(g)~~(h) Categorical programs defined in (a) through (f) shall be funded pursuant to the
27 transition plan in § 16-7.2-7.

28 SECTION 5. Section 16-7.2-7 of the General Laws in Chapter 16-7.2 entitled "The
29 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

30 **16-7.2-7. Transition plan.** – (a) The general assembly shall annually determine the
31 appropriation of education aid pursuant to this chapter using a transition plan to begin in fiscal
32 year 2012, not to exceed seven (7) years for LEA's for whom the calculated education aid
33 pursuant to § 16-7.2-3 is more than the education aid the LEA is receiving as of the effective date
34 of the formula, and ten (10) years for LEA's for whom the calculated education aid pursuant to §

1 16-7.2-3 is less than the education aid the LEA is receiving as of the effective date of the formula.

2 (b) The local share of funding pursuant to § 16-7.2-5 shall be transitioned proportionately
3 over a period not to exceed five (5) years. The transition shall provide a combination of direct aid
4 to districts, funds for the categorical programs, and district savings through state-assumed costs,
5 as determined by the general assembly on an annual basis. Updates to any components of the
6 permanent foundation education aid formula, such as student data, property values, and/or median
7 family income, that result in an increase or decrease in state education aid that impacts the total
8 state and local contribution by more than three percent (3%) shall be transitioned over a period of
9 time not to exceed three (3) years.

10 ~~(c) For districts that are converting from a half day to a full day kindergarten program for
11 the 2014-2015 school year and after, as defined by § 16-99-4, the increase in aid provided
12 pursuant to the formula for the increased reference average daily membership due to the
13 conversion of the kindergarten students from 0.5 full-time equivalent to 1.0 full-time equivalent is
14 not subject to the transition plan in subsection (a); instead, the increased kindergarten full-time
15 equivalents will be funded at the fully transitioned value of the formula beginning in FY 2017.~~

16 SECTION 6. Section 16-77.2-5 of the General Laws in Chapter 16-77.2 entitled "District
17 Charter School" is hereby amended to read as follows:

18 **16-77.2-5. Budgets and funding.** – (a) It is the intent of the general assembly that
19 funding pursuant to this chapter shall be neither a financial incentive nor a financial disincentive
20 to the establishment of a district charter school. Funding for each district charter school shall
21 consist of state revenue and municipal or district revenue in the same proportions that funding is
22 provided for other schools within the sending school district(s).

23 ~~(b) The amount of funding which shall be allocated to the district charter school by the
24 sending school district(s) shall be equal to a percentage of the total budgeted expenses of the
25 sending school district(s) which is determined by dividing the number of students enrolled in the
26 district charter school by the total resident average daily number of students in the sending school
27 district(s).~~

28 ~~(c)~~(b) Funding additional to that authorized from the sending school district(s) ~~by~~
29 ~~subsection (b)~~ may be allocated to the district charter school from the sending school district(s) to
30 the extent that the combined percentage of students eligible for free or reduced cost lunch,
31 students with limited English proficiency, and students requiring special education exceed the
32 combined percentage of those students in the sending school district(s) as a whole. The
33 commissioner shall promulgate rules and regulations consistent with this section regarding the
34 allocation of funds from sending school districts to district charter schools.

1 ~~(d)~~(c) All services centrally or otherwise provided by the school district in which the
2 district charter school is located which the district charter school decides to utilize including, but
3 not limited to, transportation, food services, custodial services, maintenance, curriculum, media
4 services, libraries, nursing, and warehousing, shall be subject to negotiation between a district
5 charter school and the school district in which the district charter school is located and paid for
6 out of the revenues of the district charter school. Disputes with regard to cost of services
7 requested from the school district in which the district charter school is located will be
8 adjudicated by the commissioner.

9 ~~(e)~~(d) A district charter school shall be eligible to receive other aids, grants, Medicaid
10 revenue, and other revenue according to Rhode Island law, as though it were a school district.
11 Federal aid received by the state shall be used to benefit students in the charter public school, if
12 the school qualifies for the aid, as though it were a school district.

13 ~~(f)~~(e) A district charter school may negotiate and contract directly with third parties for
14 the purchase of books, instructional materials, and any other goods and services which are not
15 being provided by the sending school district(s) pursuant to the charter.

16 ~~(g) Any career technical charter public school enrolling special education students from
17 outside school districts with verifiable individual education program (IEP) designations shall
18 receive from the sending school district(s) the average per pupil special education cost of the
19 sending district, in accordance with standards established by the Rhode Island department of
20 secondary and elementary education.~~

21 SECTION 7. Section of 16-77.3-5 of the General Laws in Chapter 16-77.3 entitled
22 “Independent Charter Schools” is hereby amended to read as follows:

23 **16-77.3-5. Budgets and funding.** – (a) It is the intent of the general assembly that
24 funding pursuant to this chapter shall be neither a financial incentive nor a financial disincentive
25 to the establishment of an independent charter school. Funding for each independent charter
26 school shall consist of state revenue and municipal or district revenue in the same proportions that
27 funding is provided for other schools within the sending school district(s).

28 ~~(b) The amount of funding which shall be allocated to the independent charter school by
29 the sending school district(s) shall be equal to a percentage of the total budgeted expenses of the
30 sending school district(s) which is determined by dividing the number of students enrolled in the
31 district charter school by the total resident average daily number of students in the sending school
32 district(s).~~

33 ~~(e)~~(b) Funding additional to that authorized from the sending school district(s) by
34 subsection (b) may be allocated to the independent charter school from the sending school

1 district(s) to the extent that the combined percentage of students eligible for free or reduced cost
2 lunch, students with limited English proficiency, and students requiring special education exceed
3 the combined percentage of those students in the sending school district(s) as a whole. The
4 commissioner shall promulgate rules and regulations consistent with this section regarding the
5 allocation of funds from sending school districts to independent charter schools.

6 ~~(d)~~(c) An independent charter school shall be eligible to receive other aids, grants,
7 Medicaid revenue, and other revenue according to Rhode Island law, as though it were a school
8 district. Federal aid received by the state shall be used to benefit students in the independent
9 charter school, if the school qualifies for the aid, as though it were a school district.

10 ~~(e)~~(d) An independent charter school may negotiate and contract directly with third
11 parties for the purchase of books, instructional materials, and any other goods and services which
12 are not being provided by the sending school district(s) pursuant to the charter.

13 ~~(f) Any career/technical charter public school enrolling special education students from
14 outside school districts with verifiable individual education program (IEP) designations shall
15 receive from the sending school district(s) the average per pupil special education cost of the
16 sending district, in accordance with standards established by the Rhode Island department of
17 elementary and secondary education.~~

18 SECTION 8. Section 16-77.4-5 of the General Laws in Chapter 16-77.4 entitled
19 "Mayoral Academies" is hereby amended to read as follows:

20 **16-77.4-5. Budgets and funding.** – (a) It is the intent of the general assembly that
21 funding pursuant to this chapter shall be neither a financial incentive nor a financial disincentive
22 to the establishment of a mayoral academy. Funding for each mayoral academy shall consist of
23 state revenue and municipal or district revenue in the same proportions that funding is provided
24 for other schools within the sending school district(s).

25 ~~(b) The amount of funding which shall be allocated to the mayoral academy by the
26 sending school district(s) shall be equal to a percentage of the total budgeted expenses of the
27 sending school district(s) which is determined by dividing the number of students enrolled in the
28 mayoral academy by the total resident average daily number of students in the sending school
29 district(s).~~

30 ~~(e)~~(b) Funding additional to that authorized from the sending school district(s) ~~by~~
31 ~~subsection (b)~~ may be allocated to the mayoral academy from the sending school district(s) to the
32 extent that the combined percentage of students eligible for free or reduced cost lunch, students
33 with limited English proficiency, and students requiring special education exceed the combined
34 percentage of those students in the sending school district(s) as a whole. The commissioner shall

1 promulgate rules and regulations consistent with this section regarding the allocation of funds
2 from sending school districts to mayoral academies.

3 ~~(c)~~(c) A mayoral academy shall be eligible to receive other aids, grants, Medicaid
4 revenue, and other revenue according to Rhode Island law, as though it were a school district.
5 Federal aid received by the state shall be used to benefit students in a mayoral academy, if the
6 school qualifies for the aid, as though it were a school district.

7 ~~(d)~~(d) A mayoral academy may negotiate and contract directly with third parties for the
8 purchase of books, instructional materials, and any other goods and services which are not being
9 provided by the sending school district(s) pursuant to the charter.

10 ~~(e)~~(e) Any career/technical charter public school enrolling special education students
11 from outside school districts with verifiable individual education program (IEP) designations
12 shall receive from the sending school district(s) the average per pupil special education cost of the
13 sending district(s), in accordance with standards established by the Rhode Island department of
14 elementary and secondary education.

15 SECTION 9. This article shall take effect upon passage.

16 ARTICLE 12

17 RELATING TO REVENUE

18 SECTION 1. Sections 44-20-12 and 44-20-13 of the General Laws in Chapter 44-20
19 entitled "Cigarette Tax" are hereby amended to read as follows:

20 **44-20-12. Tax imposed on cigarettes sold.** – A tax is imposed on all cigarettes sold or
21 held for sale in the state. The payment of the tax to be evidenced by stamps, which may be
22 affixed only by licensed distributors to the packages containing such cigarettes. Any cigarettes on
23 which the proper amount of tax provided for in this chapter has been paid, payment being
24 evidenced by the stamp, is not subject to a further tax under this chapter. The tax is at the rate of
25 ~~one hundred eighty seven and one half (187.5)~~ two hundred (200) mills for each cigarette.

26 **44-20-13. Tax imposed on unstamped cigarettes.** - A tax is imposed at the rate of ~~one~~
27 ~~hundred eighty seven and one half (187.5)~~ two hundred (200) mills for each cigarette upon the
28 storage or use within this state of any cigarettes not stamped in accordance with the provisions of
29 this chapter in the possession of any consumer within this state.

30 SECTION 2. Chapter 44-20 of the General Laws entitled "Cigarette Tax" is hereby
31 amended by adding thereto the following section:

32 **44-20-12.6. Floor stock tax on cigarettes and stamps.** – (a) Whenever used in this
33 section, unless the context requires otherwise:

34 (1) "Cigarette" means any cigarette as defined in § 44-20-1(2);

1 (2) "Person" means each individual, firm, fiduciary, partnership, corporation, trust, or
2 association, however formed.

3 (b) Each person engaging in the business of selling cigarettes at retail in this state shall
4 pay a tax or excise to the state for the privilege of engaging in that business during any part of the
5 calendar year 2016. In calendar year 2016, the tax shall be measured by the number of cigarettes
6 held by the person in this state at 12:01 a.m. on August 1, 2016 and is computed at the rate of
7 twelve and one half (12.5) mills for each cigarette on August 1, 2016.

8 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay
9 a tax or excise to the state for the privilege of engaging in that business during any part of the
10 calendar year 2016. The tax is measured by the number of stamps, whether affixed or to be
11 affixed to packages of cigarettes, as required by § 44-20-28. In calendar year 2016 the tax is
12 measured by the number of stamps, as defined in § 44-20-1(10), whether affixed or to be affixed,
13 held by the distributor at 12:01 a.m. on August 1, 2016, and is computed at the rate of twelve and
14 one half (12.5) mills per cigarette in the package to which the stamps are affixed or to be affixed.

15 (d) Each person subject to the payment of the tax imposed by this section shall, on or
16 before August 15, 2016, file a return, under oath or certified under the penalties of perjury, with
17 the tax administrator on forms furnished by him or her, showing the amount of cigarettes and
18 under subsection (b) above the number of stamps under subsection (c) above, in that person's
19 possession in this state at 12:01 a.m. on August 1, 2016, and the amount of tax due, and shall at
20 the time of filing the return pay the tax to the tax administrator. Failure to obtain forms shall not
21 be an excuse for the failure to make a return containing the information required by the tax
22 administrator.

23 (e) The tax administrator may prescribe rules and regulations, not inconsistent with law,
24 with regard to the assessment and collection of the tax imposed by this section.

25 SECTION 3. This article shall take effect as of August 1, 2016.

26 **ARTICLE 13**

27 RELATING TO MAKING WORK PAY

28 SECTION 1. Section 28-12-3 of the General Laws in Chapter 28-12 entitled "Minimum
29 Wages" is hereby amended to read as follows:

30 **28-12-3. Minimum wages.** – (a) Every employer shall pay to each of his or her
31 employees: commencing July 1, 1999, at least the minimum wage of five dollars and sixty-five
32 cents (\$5.65) per hour. Commencing September 1, 2000, the minimum wage is six dollars and
33 fifteen cents (\$6.15) per hour.

34 (b) Commencing January 1, 2004, the minimum wage is six dollars and seventy-five

1 cents (\$6.75) per hour.

2 (c) Commencing March 1, 2006, the minimum wage is seven dollars and ten cents
3 (\$7.10) per hour.

4 (d) Commencing January 1, 2007, the minimum wage is seven dollars and forty cents
5 (\$7.40) per hour.

6 (e) Commencing January 1, 2013, the minimum wage is seven dollars and seventy-five
7 cents (\$7.75) per hour.

8 (f) Commencing January 1, 2014, the minimum wage is eight dollars (\$8.00) per hour.

9 (g) Commencing January 1, 2015, the minimum wage is nine dollars (\$9.00) per hour.

10 (h) Commencing January 1, 2016, the minimum wage is nine dollars and sixty cents
11 (\$9.60) per hour.

12 [\(i\) Commencing January 1, 2017, the minimum wage is ten dollars and ten cents \(\\$10.10\)](#)
13 [per hour.](#)

14 SECTION 2. Section 44-30-2.6 of General Laws in Chapter 44-30 entitled "Personal
15 Income Tax" is hereby amended to read as follows:

16 **44-30-2.6. Rhode Island taxable income – Rate of tax.** – (a) "Rhode Island taxable
17 income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C.
18 § 1 et seq., not including the increase in the basic standard deduction amount for married couples
19 filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and
20 the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by
21 the modifications in § 44-30-12.

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

34 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative

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

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

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

17 (A) Tax imposed.

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

20	If taxable income is:	The tax is:
21	Not over \$53,150	3.75% of taxable income
22	Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
23	Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
24	Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
25	Over \$349,700	\$26,333.75 plus 9.9% of the excess over \$349,700

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

28	If taxable income is:	The tax is:
29	Not over \$42,650	3.75% of taxable income
30	Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
31	Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
32	Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
33	Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

34 (3) There is hereby imposed on the taxable income of unmarried individuals (other than

1 surviving spouses and heads of households) a tax determined in accordance with the following
2 table:

3	If taxable income is:	The tax is:
4	Not over \$31,850	3.75% of taxable income
5	Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
6	Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
7	Over \$160,850 but not over \$349,700	\$10,852.5 plus 9.00% of the excess over \$160,850
8	Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

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

11	If taxable income is:	The tax is:
12	Not over \$26,575	3.75% of taxable income
13	Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
14	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
15	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
16	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

17 (5) There is hereby imposed a taxable income of an estate or trust a tax determined in
18 accordance with the following table:

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

25 (6) Adjustments for inflation.

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

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

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

29 (c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in making
30 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
31 be determined under section (J) by substituting "1994" for "1993."

32 (B) Maximum capital gains rates

33 (1) In general

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

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

2 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
3 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).

4 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
5 1(h)(1)(c).

6 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26
7 U.S.C. 1(h)(1)(d).

8 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
9 1(h)(1)(e).

10 (2) For tax years beginning on or after January 1, 2010 the tax imposed on net capital
11 gain shall be determined under subdivision 44-30-2.6(c)(2)(A).

12 (C) Itemized deductions.

13 (1) In general

14 For the purposes of section (2) "itemized deductions" means the amount of federal
15 itemized deductions as modified by the modifications in § 44-30-12.

16 (2) Individuals who do not itemize their deductions

17 In the case of an individual who does not elect to itemize his deductions for the taxable
18 year, they may elect to take a standard deduction.

19 (3) Basic standard deduction.

20 The Rhode Island standard deduction shall be allowed in accordance with the following
21 table:

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

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

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

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

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

- 1 (a) \$850;
- 2 (b) The sum of \$300 and such individual's earned income;
- 3 (6) Certain individuals not eligible for standard deduction.

4 In the case of:

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

8 The standard deduction shall be zero.

- 9 (7) Adjustments for inflation.

10 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an
11 amount equal to:

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

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

15 (D) Overall limitation on itemized deductions

16 (1) General rule.

17 In the case of an individual whose adjusted gross income as modified by § 44-30-12
18 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
19 taxable year shall be reduced by the lesser of:

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

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

24 (2) Applicable amount.

25 (a) In general.

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

28 (b) Adjustments for inflation.

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

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

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

32 (3) Phase-out of Limitation.

33 (a) In general.

34 In the case of taxable year beginning after December 31, 2005, and before January 1,

1 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
2 would be the amount of such reduction.

3 (b) Applicable fraction.

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

6 For Taxable years beginning in calendar year	7 The applicable fraction
8 2006 and 2007	2/3
9 2008 and 2009	1/3

10 (E) Exemption amount

11 (1) In general.

12 Except as otherwise provided in this subsection, the term "exemption amount" mean
13 \$3,400.

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

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

18 (3) Adjustments for inflation.

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

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

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

22 (4) Limitation.

23 (a) In general.

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

26 (b) Applicable percentage.

27 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
28 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
29 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
30 exceeds the threshold amount. In the case of a married individual filing a separate return, the
31 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
32 applicable percentage exceed one hundred percent (100%).

33 (c) Threshold Amount.

34 For the purposes of this paragraph, the term "threshold amount" shall be determined with

1 the following table:

2 Filing status	Amount
3 Single	\$156,400
4 Married filing jointly of qualifying widow(er)	\$234,600
5 Married filing separately	\$117,300
6 Head of Household	\$195,500

7 (d) Adjustments for inflation.

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

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

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

11 (5) Phase-out of Limitation.

12 (a) In general.

13 In the case of taxable years beginning after December 31, 2005, and before January 1,
14 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
15 would be the amount of such reduction.

16 (b) Applicable fraction.

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

19 For Taxable years beginning in calendar year	The applicable fraction
20 is	
21 2006 and 2007	2/3
22 2008 and 2009	1/3

23 (F) Alternative minimum tax

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

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

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

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

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

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

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

33 (4) *Taxable excess.* For the purposes of this subsection the term "taxable excess" means
34 so much of the federal alternative minimum taxable income as modified by the modifications in §

1 44-30-12 as exceeds the exemption amount.

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

4 (6) Exemption amount.

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

6 Filing status	Amount
7 Single	\$39,150
8 Married filing jointly or qualifying widow(er)	\$53,700
9 Married filing separately	\$26,850
10 Head of Household	\$39,150
11 Estate or trust	\$24,650

12 (7) Treatment of unearned income of minor children

13 (a) In general.

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

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

17 (ii) \$6,000.

18 (8) Adjustments for inflation.

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

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

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

24 (9) Phase-out.

25 (a) In general.

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

29 (b) Threshold amount.

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

32 Filing status	Amount
33 Single	\$123,250
34 Married filing jointly or qualifying widow(er)	\$164,350

1	Married filing separately	\$82,175
2	Head of Household	\$123,250
3	Estate or Trust	\$82,150

4 (c) Adjustments for inflation

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

- 6 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by
- 7 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

8 (G) Other Rhode Island taxes

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

- 11 (a) The Federal income tax on lump-sum distributions.
- 12 (b) The Federal income tax on parents' election to report child's interest and dividends.
- 13 (c) The recapture of Federal tax credits that were previously claimed on Rhode Island
14 return.

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

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

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

18 (I) Averaging of farm income

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

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

22 (J) Cost-of-living adjustment

23 (1) In general.

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

- 25 (a) The CPI for the preceding calendar year exceeds
- 26 (b) The CPI for the base year.
- 27 (2) CPI for any calendar year.

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

31 (3) Consumer Price Index

32 For purposes of paragraph (2), the term "consumer price index" means the last consumer
33 price index for all urban consumers published by the department of labor. For purposes of the
34 preceding sentence, the revision of the consumer price index which is most consistent with the

1 consumer price index for calendar year 1986 shall be used.

2 (4) Rounding.

3 (a) In general.

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

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

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

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

12 (2) Child and dependent care credit;

13 (3) General business credits;

14 (4) Credit for elderly or the disabled;

15 (5) Credit for prior year minimum tax;

16 (6) Mortgage interest credit;

17 (7) Empowerment zone employment credit;

18 (8) Qualified electric vehicle credit.

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

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

30 (N) Rhode Island earned income credit

31 (1) In general.

32 For tax years beginning before January 1, 2015 a taxpayer entitled to a federal earned
33 income credit shall be allowed a Rhode Island earned income credit equal to twenty-five percent
34 (25%) of the federal earned income credit. Such credit shall not exceed the amount of the Rhode

1 Island income tax.

2 For tax years beginning on or after January, 1, 2015 and before January 1, 2016, a
3 taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income
4 credit equal to ten percent (10%) of the federal earned income credit. Such credit shall not exceed
5 the amount of the Rhode Island income tax.

6 For tax years beginning on or after January, 1, 2016 and before January 1, 2017, a
7 taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income
8 credit equal to twelve and one-half percent (12.5%) of the federal earned income credit. Such
9 credit shall not exceed the amount of the Rhode Island income tax.

10 For tax years beginning on or after January, 1, 2017, a taxpayer entitled to a federal
11 earned income credit shall be allowed a Rhode Island earned income credit equal to fifteen
12 percent (15%) of the federal earned income credit. Such credit shall not exceed the amount of the
13 Rhode Island income tax.

14 (2) Refundable portion.

15 In the event the Rhode Island earned income credit allowed under paragraph (N)(1) of
16 this section ~~(H)~~ exceeds the amount of Rhode Island income tax, a refundable earned income
17 credit shall be allowed as follows.

18 (i) For tax years beginning before January 1, 2015, for purposes of paragraph (2)
19 refundable earned income credit means fifteen percent (15%) of the amount by which the Rhode
20 Island earned income credit exceeds the Rhode Island income tax.

21 ~~(ii)~~ (ii) For tax years beginning on or after January 1, 2015, ~~For~~ for purposes of paragraph
22 (2) refundable earned income credit means one hundred percent (100%) of the amount by which
23 the Rhode Island earned income credit exceeds the Rhode Island income tax.

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

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

33 (A) Tax imposed.

34 (I) There is hereby imposed on the taxable income of married individuals filing joint

1 returns, qualifying widow(er), every head of household, unmarried individuals, married
 2 individuals filing separate returns and bankruptcy estates, a tax determined in accordance with the
 3 following table:

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

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

RI Taxable Income		RI Income Tax	
Over	But not over	Pay+% on Excess	On the amount
14 over			
15 \$0-	\$2,230	\$0+3.75%	\$0
16 \$2,230	\$7,022	\$84+4.75%	\$2,230
17 \$7,022		\$312+5.99%	\$7,022

18 (B) Deductions:

19 (I) Rhode Island Basic Standard Deduction.

20 Only the Rhode Island standard deduction shall be allowed in accordance with the
 21 following table:

Filing status:	Amount
23 Single	\$7,500
24 Married filing jointly or qualifying widow(er)	\$15,000
25 Married filing separately	\$7,500
26 Head of Household	\$11,250

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

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

1 (C) Exemption Amount:

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

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

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

15 (E) *Adjustment for inflation.* The dollar amount contained in subparagraphs 44-30-
16 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
17 equal to:

18 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-
19 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,
20 multiplied by;

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

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

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

31 (V) If any increase determined under this section is not a multiple of fifty dollars
32 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
33 case of a married individual filing separate return, if any increase determined under this section is
34 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower

1 multiple of twenty-five dollars (\$25.00).

2 (E) Credits against tax.

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

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

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

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

12 (d) *Credit for income taxes of other states.* Credit shall be allowed for income tax paid to
13 other states pursuant to § 44-30-74.

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

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

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

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

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

30 (j) *Stay Invested in RI Wavemaker Fellowship:* Credit shall be allowed for stay invested
31 in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

32 (k) *Rebuild Rhode Island:* Credit shall be allowed for rebuild RI tax credit as provided in
33 § 42-64.20-1 et seq.

34 (l) *Rhode Island Qualified Jobs Incentive Program:* Credit shall be allowed for Rhode

1 Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

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

4 SECTION 3. This article shall take effect upon passage.

5 ARTICLE 14

6 RELATING TO CAREGIVERS/COMPASSION CENTERS

7 SECTION 1. Sections 21-28.6-3, 21-28.6-4, 21-28.6-5, 21-28.6-6, 21-28.6-9, 21-28.6-12,
8 and 21-28.6-14 of the General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and
9 Thomas C. Slater Medical Marijuana Act" are hereby amended to read as follows:

10 **21-28.6-3. Definitions.** – For the purposes of this chapter:

11 (1) “Authorized purchaser” means a natural person, who is at least twenty-one (21) years
12 old, and who is registered with the department of health for the purposes of assisting a qualifying
13 patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no
14 more than one (1) patient, and is prohibited from consuming marijuana obtained for the use of the
15 qualifying patient. An authorized purchaser shall be registered with the department of health and
16 shall possess a valid registry identification card.

17 ~~(1)(2)~~ “Cardholder” means a ~~qualifying patient or a primary caregiver~~ person who has
18 been registered ~~or licensed~~ with the department ~~of health or the department of business regulation~~
19 pursuant to this chapter, ~~and has been issued~~ and possesses a valid registry identification card ~~or~~
20 license.

21 (3) “Caregiver cardholder” means a primary caregiver who has registered with the
22 department of business regulation and has been issued and possesses a valid registry
23 identification card.

24 (4) “Commercial unit” means a building, office, suite, or room within a commercial or
25 industrial building for use by one business or person and rented or owned by that business or
26 person.

27 ~~(2)(5)~~ “Compassion center” means:

28 ~~(i)~~ (i) a not-for-profit corporation, subject to the provisions of chapter 6 of title 7, and
29 registered under § 21-28.6-12, that acquires, possesses, cultivates, manufactures, delivers,
30 transfers, transports, supplies or dispenses marijuana, and/or related supplies and educational
31 materials, to patient cardholders and/or their registered caregiver cardholder ~~or authorized~~
32 purchaser, ~~who have designated it as one of their primary caregivers.~~

33 ~~(ii)(6)~~ “Compassion center cardholder” means a principal officer, board member,
34 employee, volunteer, or agent of a compassion center who has registered with the department ~~of~~

1 [business regulation](#) and has been issued and possesses a valid registry identification card.

2 ~~(3)~~(7) "Debilitating medical condition" means:

3 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired
4 immune deficiency syndrome, Hepatitis C, or the treatment of these conditions;

5 (ii) A chronic or debilitating disease or medical condition, or its treatment, that produces
6 one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain;
7 severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe
8 and persistent muscle spasms, including but not limited to, those characteristic of multiple
9 sclerosis or Crohn's disease; or agitation of Alzheimer's Disease; or

10 (iii) Any other medical condition or its treatment approved by the department of health,
11 as provided for in § 21-28.6-5.

12 [\(8\) "Department of business regulation" means the Rhode Island department of business
13 regulation or its successor agency.](#)

14 ~~(4)~~(9) "Department [of health](#)" means the Rhode Island department of health or its
15 successor agency.

16 [\(10\) "Dwelling unit" means the room or group of rooms within a dwelling used or
17 intended for use by one family or household, or by no more than three \(3\) unrelated individuals,
18 for living, sleeping, cooking and eating.](#)

19 [\(11\) "Flammable chemical extraction" means the creation of marijuana concentrates
20 through flammable solvents including but not limited to butane, hexane, and propane.](#)

21 [\(12\) "Licensed cultivator" means a means a person as defined in § 43-3-6, who has been
22 licensed by the department of business regulation to cultivate marijuana pursuant to § 21-28.6-17.](#)

23 ~~(5)~~(13) "Marijuana" has the meaning given that term in § 21-28-1.02(26).

24 ~~(6)~~(14) "Mature marijuana plant" means a marijuana plant that has flowers or buds that
25 are readily observable by an unaided visual examination.

26 ~~(7)~~(15) "Medical use" means the acquisition, possession, cultivation, manufacture, use,
27 delivery, transfer, or transportation of marijuana or paraphernalia relating to the consumption of
28 marijuana to alleviate a patient cardholder's debilitating medical condition or symptoms
29 associated with the medical condition.

30 [\(16\) "Patient cardholder" means a qualifying patient who has registered with the
31 department of health and has been issued and possesses a valid registry identification card.](#)

32 ~~(8)~~(17) "Practitioner" means a person who is licensed with authority to prescribe drugs
33 pursuant to chapter 37 of title 5 ~~or a physician licensed with authority to prescribe drugs in
34 Massachusetts or Connecticut.~~

1 ~~(9)~~(18) "Primary caregiver" means ~~either~~ a natural person, who is at least twenty-one (21)
2 years old, ~~or a compassion center, and who is registered with the department of business~~
3 ~~regulation for the purpose of assisting not~~ . ~~A natural person primary caregiver may assist no~~
4 more than five (5) qualifying patients with their medical use of marijuana. If a primary caregiver
5 is simultaneously registered as a patient cardholder, that caregiver shall count themselves in
6 regards to this patient limit and shall not assist more than four (4) other qualifying patients.

7 ~~(10)~~(19) "Qualifying patient" means a person who has been diagnosed by a practitioner as
8 having a debilitating medical condition and is a resident of Rhode Island.

9 ~~(11)~~(20) "Registry identification card" means a document issued by the department of
10 health that identifies a person as a registered qualifying patient or authorized purchaser, or a
11 document issued by the department of business regulation that identifies a person as; a registered
12 primary caregiver, a licensed cultivator, a licensed cooperative cultivation, or a ~~registered~~
13 ~~principal officer, board member, employee, volunteer, or agent of a compassion center~~
14 compassion center cardholder.

15 ~~(12)~~(21) "Seedling" means a marijuana plant with no observable flowers or buds.

16 ~~(13)~~(22) "Unusable marijuana" means marijuana seeds, stalks, seedlings, and ~~unusable~~
17 roots.

18 ~~(14)~~(23) "Usable marijuana" means the dried leaves and flowers of the marijuana plant,
19 and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the
20 plant.

21 ~~(15)~~(24) "Written certification" means the qualifying patient's medical records, and a
22 statement signed by a practitioner, stating that in the practitioner's professional opinion, the
23 potential benefits of the medical use of marijuana would likely outweigh the health risks for the
24 qualifying patient. A written certification shall be made only in the course of a bona fide,
25 practitioner-patient relationship after the practitioner has completed a full assessment of the
26 qualifying patient's medical history. The written certification shall specify the qualifying patient's
27 debilitating medical condition or conditions.

28 **21-28.6-4. Protections for the medical use of marijuana.** –(a) A patient cardholder
29 who has in his or her possession a registry identification card shall not be subject to arrest,
30 prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited
31 to, civil penalty or disciplinary action by a business or occupational or professional licensing
32 board or bureau, for the medical use of marijuana; provided, that the patient cardholder possesses
33 an amount of marijuana that does not exceed ~~twelve (12) mature~~ six (6) marijuana plants which
34 are accompanied by valid medical marijuana tags issued by the department of business regulation,

1 and two and one-half (2.5) ounces of usable marijuana. Said plants shall be stored in an indoor
2 facility. A patient cardholder may not process marijuana through flammable chemical extraction.

3 (b) An authorized purchaser who has in his or her possession a registry identification card
4 shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or
5 privilege, including, but not limited to, civil penalty or disciplinary action by a business or
6 occupational or professional licensing board or bureau, for the possession of marijuana; provided
7 that the authorized purchaser possesses an amount of marijuana that does not exceed two and
8 one-half (2.5) ounces of usable marijuana and this marijuana was purchased legally from a
9 compassion center for the use of their designated qualifying patient.

10 ~~(c)~~ (c) A patient cardholder, who has in his or her possession a registry identification card,
11 shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or
12 privilege, including, but not limited to, civil penalty or disciplinary action by a business or
13 occupational or professional licensing board or bureau, for selling, giving, or distributing to a
14 compassion center cardholder marijuana of the type, and in an amount not to exceed, that set forth
15 in subsection (a) above, that he or she has cultivated or manufactured pursuant to this chapter, ~~to~~
16 ~~a compassion center cardholder.~~

17 ~~(d)~~ (d) No school, employer, or landlord may refuse to enroll, employ, or lease to, or
18 otherwise penalize, a person solely for his or her status as a cardholder. Provided, however, due to
19 the safety and welfare concern for other tenants, the property, and the public, as a whole, a
20 landlord may have the discretion not to lease, or continue to lease, to a cardholder who cultivates
21 marijuana in the leased premises.

22 ~~(e)~~ (e) A primary caregiver cardholder, who has in his or her possession, a registry
23 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
24 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
25 business or occupational or professional licensing board or bureau, for assisting a patient
26 cardholder, to whom he or she is connected through the ~~department's~~ department of health's
27 registration process, with the medical use of marijuana; provided, that the primary caregiver
28 cardholder possesses an amount of marijuana that does not exceed ~~twelve (12) mature~~ six (6)
29 marijuana plants which are accompanied by valid medical marijuana tags issued by the
30 department of business regulation and two and one-half (2.5) ounces of usable marijuana for each
31 patient cardholder to whom he or she is connected through the ~~department's~~ department of
32 health's registration process. A primary caregiver cardholder may not process marijuana through
33 flammable chemical extraction.

34 ~~(e) A cardholder shall be allowed to possess a reasonable amount of unusable marijuana,~~

1 ~~including up to twelve (12) seedlings, that shall not be counted toward the limits in this section.~~

2 (f) There shall exist a presumption that a cardholder is engaged in the medical use of
3 marijuana if the cardholder:

4 (1) Is in possession of a registry identification card; and

5 (2) Is in possession of an amount of marijuana that does not exceed the amount permitted
6 under this chapter. Such presumption may be rebutted by evidence that conduct related to
7 marijuana was not for the purpose of alleviating the qualifying patient's debilitating medical
8 condition or symptoms associated with the medical condition.

9 (g) A primary caregiver cardholder or authorized purchaser may receive reimbursement
10 for costs associated with assisting a patient cardholder's medical use of marijuana. Compensation
11 shall not constitute sale of controlled substances.

12 (h) A ~~natural person~~ primary caregiver cardholder, who has in his or her possession a
13 registry identification card, shall not be subject to arrest, prosecution, or penalty in any manner,
14 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action
15 by a business or occupational or professional licensing board or bureau, for selling, giving, or
16 distributing marijuana to a compassion center cardholder, of the type, and in an amount not to
17 exceed that, set forth in subsection ~~(d)~~(e) above, ~~to a compassion center cardholder~~ if:

18 (1) The ~~natural person~~ primary caregiver cardholder cultivated the marijuana pursuant to
19 this chapter, not to exceed the limits of paragraph ~~(d)~~(e) above; and

20 (2) Each patient cardholder the caregiver cardholder is connected with through the
21 ~~department's~~ department of health's registration process has been provided an adequate amount of
22 the marijuana to meet his or her medical needs, not to exceed the limits of subsection (a) above.

23 (i) A licensed cultivator, who has in his or her possession a license, shall not be subject to
24 arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not
25 limited to, civil penalty or disciplinary action by a business or occupational or professional
26 licensing board or bureau, for selling, giving, or distributing marijuana to a compassion center
27 cardholder, of the type, and in an amount not to exceed the limit set forth in department of
28 business regulation regulations, if:

29 (1) The licensed cultivator cultivated the marijuana pursuant to this chapter, not to exceed
30 the limits established by the department of business regulation pursuant to § 21-28.6-17(c);

31 (2) All marijuana plants grown by the licensed cultivator are accompanied by valid
32 medical marijuana tags issued by the department of business regulation;

33 (3) The licensed cultivator has not engaged in the sale of marijuana to anyone but a
34 compassion center cardholder; and

1 [\(4\) The licensed cultivator has complied with all applicable regulations promulgated by](#)
2 [the department of business regulation.](#)

3 ~~(j)~~ A practitioner shall not be subject to arrest, prosecution, or penalty in any manner,
4 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action
5 by the Rhode Island board of medical licensure and discipline, or by any other business or
6 occupational or professional licensing board or bureau solely for providing written certifications,
7 or for otherwise stating that, in the practitioner's professional opinion, the potential benefits of the
8 medical marijuana would likely outweigh the health risks for a patient.

9 ~~(k)~~ Any interest in, or right to, property that is possessed, owned, or used in connection
10 with the medical use of marijuana, or acts incidental to such use, shall not be forfeited.

11 ~~(l)~~ No person shall be subject to arrest or prosecution for constructive possession,
12 conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the
13 presence or vicinity of the medical use of marijuana as permitted under this chapter, or for
14 assisting a patient cardholder with using or administering marijuana.

15 ~~(m)~~ A practitioner, nurse, [physician's assistant](#), or pharmacist shall not be subject to
16 arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not
17 limited to, civil penalty or disciplinary action by a business or occupational or professional
18 licensing board or bureau solely for discussing the benefits or health risks of medical marijuana
19 or its interaction with other substances with a patient.

20 ~~(n)~~ A registry identification card, or its equivalent, issued under the laws of another
21 state, U.S. territory, or the District of Columbia, to permit the medical use of marijuana by a
22 patient with a debilitating medical condition, or to permit a person to assist with the medical use
23 of marijuana by a patient with a debilitating medical condition, shall have the same force and
24 effect as a registry identification card issued by the department [of health or license issued by the](#)
25 [department of business regulation.](#)

26 ~~(o)~~ Notwithstanding the provisions of ~~§ 21-28.6-4(d) or~~ § 21-28.6-4(e), no primary
27 caregiver cardholder, ~~other than a compassion center,~~ shall possess an amount of marijuana in
28 excess of twenty-four (24) marijuana plants and five (5) ounces of usable marijuana for patient
29 cardholders to whom he or she is connected through the ~~department's~~ [department of health's](#)
30 registration process.

31 ~~(e) A cardholder may give marijuana to another cardholder to whom they are not~~
32 ~~connected by the department's registration process, provided that no consideration is paid for the~~
33 ~~marijuana, and that the recipient does not exceed the limits specified in § 21-28.6-4.~~

34 [\(p\) Except for licensed compassion centers, licensed cooperative cultivations, and](#)

1 [licensed cultivators, no more than twenty-four \(24\) marijuana plants shall be grown or otherwise](#)
2 [located at any one dwelling unit or commercial unit. The number of patients or primary](#)
3 [caregivers residing, owning, renting, growing or otherwise operating at a dwelling or commercial](#)
4 [unit does not affect this limit. Patient cardholders and primary caregiver cardholders electing to](#)
5 [grow marijuana shall only grow at one premises, and this premises shall be registered with the](#)
6 [department of business regulation. The department of business regulation shall promulgate](#)
7 [regulations to enforce this provision.](#)

8 ~~(p)~~(q) For the purposes of medical care, including organ transplants, a patient
9 cardholder's authorized use of marijuana shall be considered the equivalent of the authorized use
10 of any other medication used at the direction of a physician, and shall not constitute the use of an
11 illicit substance.

12 **21-28.6-5. Department of health to issue regulations.** – (a) Not later than ninety (90)
13 days after the effective date of this chapter, the department [of health](#) shall promulgate regulations
14 governing the manner in which it shall consider petitions from the public to add debilitating
15 medical conditions to those included in this chapter. In considering such petitions, the department
16 [of health](#) shall include public notice of, and an opportunity to comment in a public hearing, upon
17 such petitions. The department [of health](#) shall, after hearing, approve or deny such petitions
18 within one hundred eighty (180) days of submission. The approval or denial of such a petition
19 shall be considered a final department [of health](#) action, subject to judicial review. Jurisdiction and
20 venue for judicial review are vested in the superior court. The denial of a petition shall not
21 disqualify qualifying patients with that condition, if they have a debilitating medical condition as
22 defined in subdivision 21-28.6-3~~(3)~~(7). The denial of a petition shall not prevent a person with the
23 denied condition from raising an affirmative defense.

24 (b) ~~Not later than ninety (90) days after the effective date of this chapter, the department~~
25 [The department of health](#) shall promulgate regulations governing the manner in which it shall
26 consider applications for and renewals of registry identification cards for qualifying patients and
27 ~~primary caregivers~~ [authorized purchasers](#). The department [of health](#)'s regulations shall establish
28 application and renewal fees that generate revenues sufficient to offset all expenses of
29 implementing and administering this chapter. The department [of health](#) may vary the application
30 and renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's
31 income. The department [of health](#) may accept donations from private sources in order to reduce
32 the application and renewal fees.

33 [\(c\) The department of health, in conjunction with the department of business regulation,](#)
34 [shall promulgate regulations in accordance with the administrative procedures act, chapter 35 of](#)

1 [title 42, governing how all information and data collected pursuant to chapter 21-28.6 will be](#)
2 [maintained, utilized, and accessed.](#)

3 **21-28.6-6. Administration of department of health regulations.** –(a) The department
4 [of health](#) shall issue registry identification cards to qualifying patients [age 18 and over](#) who
5 submit the following, in accordance with the ~~department's~~ [department of health's](#) regulations:

- 6 (1) Written certification as defined in § 21-28.6-3~~(15)~~[\(24\)](#) of this chapter;
- 7 (2) Application or renewal fee;
- 8 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if
9 the patient is homeless, no address is required;
- 10 (4) Name, address, and telephone number of the qualifying patient's practitioner; and
- 11 (5) [A patient may elect either one \(1\) primary caregiver or one \(1\) authorized purchaser,](#)
12 [but not both. If a patient elects a primary caregiver or an authorized purchaser, the patient shall](#)
13 [provide that person's name](#) ~~Name~~, address, and date of birth~~of each primary caregiver of the~~
14 ~~qualifying patient or one (1) authorized purchaser for the qualifying patient, if any.~~ [If a patient](#)
15 [plans to grow marijuana and purchase medical marijuana tags pursuant to § 21-28.6-15, that](#)
16 [patient shall not name a primary caregiver or authorized purchaser.](#)

17 (b) The department [of health](#) shall not issue a registry identification card to a qualifying
18 patient under the age of eighteen (18) unless:

- 19 (1) The qualifying patient's practitioner has explained the potential risks and benefits of
20 the medical use of marijuana to the qualifying patient and to a parent, guardian, or person having
21 legal custody of the qualifying patient; and
- 22 (2) A parent, guardian, or person having legal custody consents in writing to:
- 23 (i) Allow the qualifying patient's medical use of marijuana;
- 24 (ii) Serve as ~~one of~~ the qualifying patient's primary ~~caregivers~~ [caregiver or authorized](#)
25 [purchaser](#); and
- 26 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the
27 medical use of marijuana by the qualifying patient.

28 (c) The department [of health](#) shall verify the information contained in an application or
29 renewal submitted pursuant to this section, and shall approve or deny an application ~~or renewal~~
30 ~~within fifteen (15) days of receiving it.~~ [in a time period specified in regulation.](#) The department [of](#)
31 [health](#) may deny an application or renewal only if the applicant did not provide the information
32 required pursuant to this section, or if the department [of health](#) determines that the information
33 provided was falsified. Rejection of an application or renewal is considered a final department [of](#)
34 [health](#) action, subject to judicial review. Jurisdiction and venue for judicial review are vested in

1 the superior court.

2 (d) If the qualifying patient's practitioner notifies the department in a written statement
3 that the qualifying patient is eligible for hospice care, the department shall give priority to these
4 applications when verifying the information in accordance with subsection (c) of this section and
5 issuing a registry identification card to these qualifying patients.

6 ~~(d) The department shall issue a registry identification card to each primary caregiver, if~~
7 ~~any, who is named in a qualifying patient's approved application, up to a maximum of two (2)~~
8 ~~primary caregivers per qualifying patient.~~

9 ~~(1) The primary caregiver applicant shall apply to the bureau of criminal identification of~~
10 ~~the department of attorney general, state police, or local police department for a national criminal~~
11 ~~records check that shall include fingerprints submitted to the Federal Bureau of Investigation.~~
12 ~~Upon the discovery of any disqualifying information as defined in § 21-28.6-6(d)(4), and in~~
13 ~~accordance with the rules promulgated by the director, the bureau of criminal identification of the~~
14 ~~department of attorney general, state police, or the local police department shall inform the~~
15 ~~applicant, in writing, of the nature of the disqualifying information; and, without disclosing the~~
16 ~~nature of the disqualifying information, shall notify the department, in writing, that disqualifying~~
17 ~~information has been discovered.~~

18 ~~(2) In those situations in which no disqualifying information has been found, the bureau~~
19 ~~of criminal identification of the department of attorney general, state police, or the local police~~
20 ~~shall inform the applicant and the department, in writing, of this fact.~~

21 ~~(3) The department shall maintain on file evidence that a criminal records check has been~~
22 ~~initiated on all applicants seeking a primary caregiver registry identification card and the results~~
23 ~~of the checks. The primary caregiver cardholder shall not be required to apply for a national~~
24 ~~criminal records check for each patient he or she is connected to through the department's~~
25 ~~registration process, provided that he or she has applied for a national criminal records check~~
26 ~~within the previous two (2) years in accordance with this chapter. The department shall not~~
27 ~~require a primary caregiver cardholder to apply for a national criminal records check more than~~
28 ~~once every two (2) years.~~

29 ~~(4) Information produced by a national criminal records check pertaining to a conviction~~
30 ~~for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act");~~
31 ~~murder, manslaughter, rape, first degree sexual assault, second degree sexual assault, first degree~~
32 ~~child molestation, second degree child molestation, kidnapping, first degree arson, second degree~~
33 ~~arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon,~~
34 ~~assault or battery involving grave bodily injury, and/or assault with intent to commit any offense~~

1 ~~punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the~~
2 ~~applicant and the department disqualifying the applicant. If disqualifying information has been~~
3 ~~found, the department may use its discretion to issue a primary caregiver registry identification~~
4 ~~card if the applicant's connected patient is an immediate family member and the card is restricted~~
5 ~~to that patient only.~~

6 ~~(5) The primary caregiver applicant shall be responsible for any expense associated with~~
7 ~~the national criminal records check.~~

8 ~~(6) For purposes of this section "conviction" means, in addition to judgments of~~
9 ~~conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances~~
10 ~~where the defendant has entered a plea of nolo contendere and has received a sentence of~~
11 ~~probation and those instances where a defendant has entered into a deferred sentence agreement~~
12 ~~with the attorney general.~~

13 ~~(e)(d)~~ The department of [health](#) shall issue registry identification cards ~~within five (5)~~
14 ~~days of approving an application or renewal~~ that shall expire two (2) years after the date of
15 issuance. Registry identification cards shall contain:

- 16 (1) The date of issuance and expiration date of the registry identification card;
- 17 (2) A random registry identification number;
- 18 (3) A photograph; and
- 19 (4) Any additional information as required by regulation or the department [of health](#).

20 ~~(f)(e)~~ Persons issued registry identification cards [by the department of health](#) shall be
21 subject to the following:

22 (1) A patient cardholder shall notify the department [of health](#) of any change in the patient
23 cardholder's name, address, or primary caregiver [or authorized purchaser](#); or if he or she ceases to
24 have his or her debilitating medical condition, within ten (10) days of such change.

25 (2) A patient cardholder who fails to notify the department [of health](#) of any of these
26 changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
27 fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating medical
28 condition, the card shall be deemed null and void and the person shall be liable for any other
29 penalties that may apply to the person's nonmedical use of marijuana.

30 (3) ~~A primary caregiver cardholder or compassion center~~ [An authorized purchaser](#) shall
31 notify the department of [health of](#) any change in his or her name or address within ten (10) days
32 of such change. ~~A primary caregiver cardholder or compassion center~~ [An authorized purchaser](#)
33 cardholder who fails to notify the department of any of these changes is responsible for a civil
34 infraction, punishable by a fine of no more than one hundred fifty dollars (\$150).

1 (4) When a patient cardholder ~~or primary caregiver cardholder~~ notifies the department of
2 health of any changes listed in this subsection, the department of health shall issue the patient
3 cardholder ~~and each primary caregiver cardholder~~ a new registry identification card ~~within ten~~
4 ~~(10) days of~~ after receiving the updated information and a ~~ten dollar (\$10.00)~~ fee specified in
5 regulation. ~~When a compassion center cardholder notifies the department of any changes listed in~~
6 ~~this subsection, the department shall issue the cardholder a new registry identification card within~~
7 ~~ten (10) days of receiving the updated information and a ten dollar (\$10.00) fee.~~

8 (5) When a patient cardholder changes his or her primary caregiver, the department of
9 health shall notify the ~~primary caregiver cardholder within ten (10) days. The primary caregiver~~
10 ~~department of business regulation, and the department of business regulation shall be entitled to~~
11 ~~take action pursuant to § 21-28.6-16(b)(1). When a patient cardholder changes his or her~~
12 ~~authorized purchaser, the authorized purchaser's~~ protections as provided in this chapter ~~as to that~~
13 ~~patient~~ shall expire within ten (10) days. ~~after notification. If the primary caregiver cardholder is~~
14 ~~connected to no other patient cardholders in the program, he or she must return his or her registry~~
15 ~~identification card to the department.~~

16 (6) If a cardholder registered by the department of health loses his or her registry
17 identification card, he or she shall notify the department of health and submit a ~~ten dollar (\$10.00)~~
18 ~~fee~~ fee specified in regulation within ten (10) days of losing the card. ~~Within five (5) days, the~~
19 ~~The~~ department of health shall issue a new registry identification card with a new random
20 identification number.

21 (7) If a cardholder registered by the department of health willfully violates any provision
22 of this chapter as determined by the department of health, his or her registry identification card
23 may be revoked.

24 ~~(g) Possession of, or application for, a registry identification card shall not constitute~~
25 ~~probable cause or reasonable suspicion, nor shall it be used to support the search of the person or~~
26 ~~property of the person possessing or applying for the registry identification card, or otherwise~~
27 ~~subject the person or property of the person to inspection by any governmental agency.~~

28 ~~(h)(1) Applications and supporting information submitted by qualifying patients,~~
29 ~~including information regarding their primary caregivers and practitioners, are confidential and~~
30 ~~protected under the federal Health Insurance Portability and Accountability Act of 1996, and shall~~
31 ~~be exempt from the provisions of chapter 2 of title 38 et seq. (Rhode Island access to public~~
32 ~~records act) and not subject to disclosure, except to authorized employees of the department as~~
33 ~~necessary to perform official duties of the department, and pursuant to subsection (i) of this~~
34 ~~section.~~

1 ~~(2) The application for qualifying patient's registry identification card shall include a~~
2 ~~question asking whether the patient would like the department to notify him or her of any clinical~~
3 ~~studies about marijuana's risk or efficacy. The department shall inform those patients who answer~~
4 ~~in the affirmative of any such studies it is notified of, that will be conducted in Rhode Island. The~~
5 ~~department may also notify those patients of medical studies conducted outside of Rhode Island.~~

6 ~~(3) The department shall maintain a confidential list of the persons to whom the~~
7 ~~department has issued registry identification cards. Individual names and other identifying~~
8 ~~information on the list shall be confidential, exempt from the provisions of Rhode Island access to~~
9 ~~public information, chapter 2 of title 38, and not subject to disclosure, except to authorized~~
10 ~~employees of the department as necessary to perform official duties of the department.~~

11 ~~(i) Notwithstanding subsection (h) of this section, the department shall verify to law~~
12 ~~enforcement personnel whether a registry identification card is valid solely by confirming the~~
13 ~~random registry identification number or name.~~

14 ~~(j) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a one~~
15 ~~thousand dollar (\$1,000) fine, for any person, including an employee or official of the department~~
16 ~~or another state agency or local government, to breach the confidentiality of information obtained~~
17 ~~pursuant to this chapter. Notwithstanding this provision, the department employees may notify~~
18 ~~law enforcement about falsified or fraudulent information submitted to the department.~~

19 ~~(f)~~ (f) On or before January 1 of each odd numbered year, the department of health shall
20 report to the house committee on health, education and welfare and to the senate committee on
21 health and human services on the use of marijuana for symptom relief. The report shall provide:

22 (1) The number of applications for registry identification cards, the number of qualifying
23 patients ~~and primary caregivers~~ approved, the nature of the debilitating medical conditions of the
24 qualifying patients, the number of registry identification cards revoked, and the number of
25 practitioners providing written certification for qualifying patients;

26 (2) An evaluation of the costs permitting the use of marijuana for symptom relief,
27 including any costs to law enforcement agencies and costs of any litigation;

28 (3) Statistics regarding the number of marijuana-related prosecutions against registered
29 patients ~~and caregivers~~, and an analysis of the facts underlying those prosecutions;

30 (4) Statistics regarding the number of prosecutions against physicians for violations of
31 this chapter; and

32 (5) Whether the United States Food and Drug Administration has altered its position
33 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
34 for marijuana.

1 **21-28.6-9. Enforcement.** – ~~(a) If the department fails to adopt regulations to implement~~
2 ~~this chapter within one hundred twenty (120) days of the effective date of this act, a qualifying~~
3 ~~patient may commence an action in a court of competent jurisdiction to compel the department to~~
4 ~~perform the actions mandated pursuant to the provisions of this chapter.~~

5 ~~(b) If the department fails to issue a valid registry identification card in response to a~~
6 ~~valid application submitted pursuant to this chapter within thirty five (35) days of its submission,~~
7 ~~the registry identification card shall be deemed granted and a copy of the registry identification~~
8 ~~application shall be deemed a valid registry identification card.~~

9 ~~(c)~~(a) The department of health and the department of business regulation shall revoke
10 and shall not reissue the registry identification card or license of any cardholder or licensee who
11 is convicted of; placed on probation; whose case is filed pursuant to § 12-10-12 where the
12 defendant pleads nolo contendere; or whose case is deferred pursuant to § 12-19-19 where the
13 defendant pleads nolo contendere for any felony offense under chapter 28 of title 21 ("Rhode
14 Island Controlled Substances Act") or a similar offense from any other jurisdiction.

15 ~~(d) If a cardholder exceeds the possession limits set forth in §§ 21-28.6-4 or 21-28.6-14,~~
16 ~~he or she shall~~ (b) If a cardholder of licensee fails to comply with the requirements of this
17 chapter 21-28.6 or any regulations promulgated hereunder, such cardholder's registry
18 identification card or license shall be subject to suspension and/or revocation by the department
19 that issued such registry identification card or license and that department shall be entitled to
20 impose upon the cardholder an administrative penalty as prescribed by regulation. If a cardholder
21 exceeds the possession limits set forth in § 21-28.6-4 or fails to comply with the sale restrictions
22 under this chapter or regulations promulgated hereunder, such cardholder shall also be subject to
23 arrest and prosecution under chapter 28 of title 21 ("Rhode Island Controlled Substances Act").

24 (c) Possession of, or application for, a registry identification card or license by a
25 qualifying patient, authorized purchaser, primary caregiver, cultivator, cooperative cultivation, or
26 compassion center shall not constitute probable cause or reasonable suspicion, nor shall it be used
27 to support the search of the person or property of the person possessing or applying for the
28 registry identification card or license, or otherwise subject the person or property of the person to
29 inspection by any governmental agency other than administrative inspection in accordance with
30 this chapter 21-28.6.

31 **21-28.6-12. Compassion centers.** – (a) A compassion center ~~registered~~-licensed under
32 this section may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or
33 dispense marijuana, or related supplies and educational materials, to registered qualifying patients
34 and either their registered primary ~~caregivers who have designated it as one of their primary~~

1 ~~caregivers. A compassion center is a primary~~ caregiver, or authorized purchaser. Except as
2 specifically provided to the contrary, all provisions of the Edward O. Hawkins and Thomas C.
3 Slater Medical Marijuana Act, §§ 21-28.6-1 – 21-28.6-11, and §§ 21-28.6-13 – 21-28.6-20 apply
4 to a compassion center unless they conflict with a provision contained in § 21-28.6-12.

5 (b) ~~Registration-Licensing~~ of compassion centers—department of business regulation
6 authority:

7 (1) ~~Not later than ninety (90) days after the effective date of this chapter,~~ The department
8 of business regulation shall promulgate regulations governing the manner in which it shall
9 consider applications for ~~registration certificates for~~ the licensing of compassion centers,
10 including regulations governing:

11 (i) The form and content of ~~registration~~ licensing and renewal applications;

12 (ii) Minimum oversight requirements for compassion centers;

13 (iii) Minimum record-keeping requirements for compassion centers;

14 (iv) Minimum security requirements for compassion centers; and

15 (v) Procedures for suspending, revoking or terminating the ~~registration~~ license of
16 compassion centers that violate the provisions of this section or the regulations promulgated
17 pursuant to this subsection.

18 ~~(2) Within ninety (90) days of the effective date of this chapter, the department shall~~
19 ~~begin accepting applications for the operation of a single compassion center.~~

20 ~~(3) Within one hundred fifty (150) days of the effective date of this chapter, the~~
21 ~~department shall provide for at least one public hearing on the granting of an application to a~~
22 ~~single compassion center.~~

23 ~~(4) Within one hundred ninety (190) days of the effective date of this chapter, the~~
24 ~~department shall grant a single registration certificate to a single compassion center, providing at~~
25 ~~least one applicant has applied who meets the requirements of this chapter.~~

26 ~~(5) If at any time after fifteen (15) months after the effective date of this chapter, there is~~
27 ~~no operational compassion center in Rhode Island, the department shall accept applications,~~
28 ~~provide for input from the public, and issue a registration certificate for a compassion center if a~~
29 ~~qualified applicant exists.~~

30 ~~(6) Within two (2) years of the effective date of this chapter, the department shall begin~~
31 ~~accepting applications to provide registration certificates for two (2) additional compassion~~
32 ~~centers. The department shall solicit input from the public, and issue registration certificates if~~
33 ~~qualified applicants exist.~~

34 ~~(7) Any time a compassion center registration certificate is revoked, is relinquished, or~~

1 ~~expires, the department shall accept applications for a new compassion center.~~

2 ~~(8) If at any time after three (3) years after the effective date of this chapter, fewer than~~
3 ~~three (3) compassion centers are holding valid registration certificates in Rhode Island, the~~
4 ~~department shall accept applications for a new compassion center. No more than three (3)~~
5 ~~compassion centers may hold valid registration certificates at one time.~~

6 ~~(9)~~(2) Any compassion center application selected for approval by the department of
7 health prior to ~~January~~ July 1, ~~2012-2016~~, shall remain in full force and effect, notwithstanding
8 any provisions of this chapter to the contrary, and shall be subject to state law adopted herein and
9 rules and regulations adopted by the department ~~subsequent to passage of this legislation~~ of
10 health and the department of business regulation. All compassion center registrations issued
11 before July 1, 2016 shall expire two (2) years after they were initially issued, and compassion
12 centers must apply for a renewal with the department of business regulation.

13 (3) By January 1, 2017, the department of business regulation will produce a report which
14 will analyze the current number of compassion centers, evaluate how those centers are serving
15 overall patient need throughout the state, and make recommendations about any change in the
16 number of compassion centers.

17 (c) Compassion center and agent applications and registration:

18 (1) Each application for a compassion center shall include:

19 (i) A non-refundable application fee paid to the department of business regulation ~~in the~~
20 an amount of two hundred fifty dollars (\$250); specified in regulation;

21 (ii) The proposed legal name and proposed articles of incorporation of the compassion
22 center;

23 (iii) The proposed physical address of the compassion center, if a precise address has
24 been determined, or, if not, the general location where it would be located. This may include a
25 second location for the cultivation of medical marijuana;

26 (iv) A description of the enclosed, locked facility that would be used in the cultivation of
27 marijuana;

28 (v) The name, address, and date of birth of each principal officer and board member of
29 the compassion center;

30 (vi) Proposed security and safety measures which shall include at least one security alarm
31 system for each location, planned measures to deter and prevent the unauthorized entrance into
32 areas containing marijuana and the theft of marijuana, as well as a draft employee instruction
33 manual including security policies, safety and security procedures, personal safety and crime
34 prevention techniques; and

1 (vii) Proposed procedures to ensure accurate record keeping;

2 (2) Any time one or more compassion center registration applications are being
3 considered, the department [of business regulation](#) shall also allow for comment by the public ~~and~~
4 ~~shall solicit input from registered qualifying patients, registered primary caregivers, and the~~
5 ~~towns or cities where the applicants would be located;~~

6 (3) ~~Each time a compassion center certificate is granted, the decision shall be based~~
7 ~~upon~~ [The department of business regulation, in consultation with the department of health and the](#)
8 [state police, shall promulgate regulations regarding the evaluation criteria and prioritization to be](#)
9 [employed in determining whether a compassion center license will be granted, such evaluation to](#)
10 [include](#) the overall health needs of qualified patients and the safety of the public, including, but
11 not limited to, the following factors:

12 (i) Convenience to patients from throughout the state of Rhode Island to the compassion
13 centers if the applicant were approved;

14 (ii) The applicant's¹ ability to provide a steady supply to the registered qualifying patients
15 in the state;

16 (iii) The applicant's¹ experience running a non-profit or business;

17 (iv) The interests of qualifying patients regarding ~~which~~ [whether](#) applicants [should](#) be
18 granted a ~~registration certificate~~ [license](#);

19 (v) The interests of the city or town where the dispensary would be located;

20 (vi) The sufficiency of the applicant's plans for record keeping and security, which
21 records shall be considered confidential health care information under Rhode Island law and are
22 intended to be deemed protected health care information for purposes of the Federal Health
23 Insurance Portability and Accountability Act of 1996, as amended; and

24 (vii) The sufficiency of the applicant's plans for safety and security, including proposed
25 location, security devices employed, and staffing;

26 (4) After a compassion center is approved, but before it begins operations, it shall submit
27 the following to the department [of business regulation](#):

28 (i) A fee paid to the department [of business regulation](#) in ~~the an~~ amount ~~of five thousand~~
29 ~~dollars (\$5,000);~~ [specified in regulation](#);

30 (ii) The legal name and articles of incorporation of the compassion center;

31 (iii) The physical address of the compassion center; this may include a second address for
32 the secure cultivation of marijuana;

33 (iv) The name, address, and date of birth of each principal officer and board member of
34 the compassion center; [and](#)

1 (v) The name, address, and date of birth of any person who will be an agent of, employee
2 or volunteer of the compassion center at its inception.;

3 ~~(5) The department shall track the number of registered qualifying patients who designate
4 each compassion center as a primary caregiver, and issue a written statement to the compassion
5 center of the number of qualifying patients who have designated the compassion center to serve
6 as a primary caregiver for them. This statement shall be updated each time a new registered
7 qualifying patient designates the compassion center or ceases to designate the compassion center
8 and may be transmitted electronically if the department's regulations so provide. The department
9 may provide by regulation that the updated written statements will not be issued more frequently
10 than twice each week;~~

11 ~~(6)~~(5) Except as provided in subdivision ~~(76)~~, the department of business regulation shall
12 issue each principal officer, board member, agent, volunteer and employee of a compassion
13 center a registry identification card or renewal card ~~within ten (10) days of~~ after receipt of the
14 person's name, address, date of birth; a fee in an amount established by the department of
15 business regulation; and notification to the department of business regulation by the state police
16 that the registry identification card applicant has not been convicted of any felony offense under
17 chapter 28 of title 21 ("Rhode Island Controlled Substances Act"), murder, manslaughter, rape,
18 first-degree sexual assault, second-degree sexual assault, first-degree child molestation, second-
19 degree child molestation, kidnapping, first-degree arson, second-degree arson, mayhem, robbery,
20 burglary, breaking and entering, assault with a dangerous weapon, assault or battery involving
21 grave bodily injury, and/or assault with intent to commit any offense punishable as a felony or a
22 similar offense from any other jurisdiction. ~~a felony drug offense or has not entered a plea of nolo~~
23 ~~contendere for a felony drug offense and received a sentence of probation.~~ Each card shall specify
24 that the cardholder is a principal officer, board member, agent, volunteer, or employee of a
25 compassion center and shall contain the following:

26 (i) The name, address, and date of birth of the principal officer, board member, agent,
27 volunteer or employee;

28 (ii) The legal name of the compassion center to which the principal officer, board
29 member, agent, volunteer or employee is affiliated;

30 (iii) A random identification number that is unique to the cardholder;

31 (iv) The date of issuance and expiration date of the registry identification card; and

32 (v) A photograph, if the department of business regulation decides to require one;

33 ~~(7)~~(6) Except as provided in this subsection, the department of business regulation shall
34 not issue a registry identification card to any principal officer, board member, agent, volunteer, or

1 employee of a compassion center who has been convicted of a felony drug offense or has entered
2 a plea of nolo contendere for a felony drug offense and received a sentence of probation. The
3 department [of business regulation](#) shall notify the compassion center in writing of the purpose for
4 denying the registry identification card. The department [of business regulation](#) may grant such
5 person a registry identification card if the department [of business regulation](#) determines that the
6 offense was for conduct that occurred prior to the enactment of the Edward O. Hawkins and
7 Thomas C. Slater Medical Marijuana Act or that was prosecuted by an authority other than the
8 state of Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater Medical
9 Marijuana Act would otherwise have prevented a conviction;

10 (i) All registry identification card applicants shall apply to the state police for a national
11 criminal identification records check that shall include fingerprints submitted to the federal
12 bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
13 contendere for a felony drug offense with a sentence of probation, and in accordance with the
14 rules promulgated by the director [of the department of business regulation](#), the state police shall
15 inform the applicant, in writing, of the nature of the felony and the state police shall notify the
16 department [of business regulation](#), in writing, without disclosing the nature of the felony, that a
17 felony drug offense conviction or a plea of nolo contendere for a felony drug offense with
18 probation has been found.

19 (ii) In those situations in which no felony drug offense conviction or plea of nolo
20 contendere for a felony drug offense with probation has been found, the state police shall inform
21 the applicant and the department [of business regulation](#), in writing, of this fact.

22 (iii) All registry identification card applicants shall be responsible for any expense
23 associated with the criminal background check with fingerprints.

24 ~~(8)(7)~~ A registry identification card of a principal officer, board member, agent,
25 volunteer, or employee shall expire one year after its issuance, or upon the expiration of the
26 registered organization's registration certificate, or upon the termination of the principal officer,
27 board member, agent, volunteer or employee's relationship with the compassion center,
28 whichever occurs first.

29 [\(8\) A compassion center cardholder shall notify and request approval from the](#)
30 [department of business regulation of any change in his or her name or address within ten \(10\)](#)
31 [days of such change. A compassion center cardholder who fails to notify the department of](#)
32 [business regulation of any of these changes is responsible for a civil infraction, punishable by a](#)
33 [fine of no more than one hundred fifty dollars \(\\$150\).](#)

34 [\(9\) When a compassion center cardholder notifies the department of business regulation](#)

1 of any changes listed in this subsection, the department of business regulation shall issue the
2 cardholder a new registry identification card after the department approves the changes and
3 receives from the cardholder payment of a fee specified in regulation.

4 (10) If a compassion center cardholder loses his or her registry identification card, he or
5 she shall notify the department of business regulation and submit a fee specified in regulation
6 within ten (10) days of losing the card. The department of business regulation shall issue a new
7 registry identification card with a new random identification number.

8 (11) A compassion center cardholder shall notify the department of business regulation of
9 any disqualifying criminal convictions as defined in § 21-28.6-16(c)(5). The department of
10 business regulation may choose to suspend and/or revoke his or her registry identification card
11 after such notification.

12 (12) If a compassion center cardholder violates any provision of this chapter or
13 regulations promulgated hereunder as determined by the department of business regulation, his or
14 her registry identification card may be suspended and/or revoked.

15 (d) Expiration or termination of compassion center:

16 (1) A compassion center's ~~registration~~-license shall expire two (2) years after its
17 ~~registration certificate~~-license is issued. The compassion center may submit a renewal application
18 beginning sixty (60) days prior to the expiration of its ~~registration certificate~~ license;

19 (2) The department of business regulation shall grant a compassion center's renewal
20 application ~~within thirty (30) days of its~~ after submission if the following conditions are all
21 satisfied:

22 (i) The compassion center submits the materials required under subdivision (c)~~(4)~~,
23 including a ~~five thousand dollar (\$5,000)~~ fee specified in regulation;

24 (ii) The compassion center's ~~registration~~-license has never been suspended or revoked for
25 violations of this chapter or regulations issued pursuant to this chapter;

26 (iii) The legislative oversight committee's report, if issued pursuant to subsection
27 ~~((j)(4)(f))~~, indicates that the compassion center is adequately providing patients with access to
28 medical marijuana at reasonable rates; and

29 (iv) The legislative oversight committee's report, if issued pursuant to subsection ~~(j)(4)(f))~~,
30 does not raise serious concerns about the continued operation of the compassion center applying
31 for renewal.

32 (3) If the department of business regulation determines that any of the conditions listed in
33 paragraphs (d)(2)(i) – (iv) have not been met, the department ~~shall~~ of business regulation may
34 deny the renewal and begin an open application process for the operation of a compassion center.

1 In granting a new registration certificate, the department [of business regulation](#) shall consider
2 factors listed in subdivision (c)(3) of this section;

3 (4) The department [of business regulation](#) shall issue a compassion center one or more
4 thirty (30) day temporary registration certificates after that compassion center's registration would
5 otherwise expire if the following conditions are all satisfied:

6 (i) The compassion center previously applied for a renewal [and has submitted the](#)
7 [required materials and fee](#), but the department [of business regulation](#) had not yet come to a
8 decision;

9 (ii) The compassion center requested a temporary registration certificate; and

10 (iii) The compassion center has not had its registration certificate [suspended or](#) revoked
11 due to violations of this chapter or regulations issued pursuant to this chapter.

12 (5) A compassion center's registry identification card shall be subject to revocation if the
13 compassion center:

14 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;

15 (ii) Is in violation of the [provisions of this chapter or any other](#) ~~the~~ laws of this state;

16 (iii) Is in violation of ~~other departmental~~ regulations [of the department of business](#)
17 [regulation or the department of health](#); or

18 (iv) Employs or enters into a business relationship with a medical practitioner who
19 provides written certification of a qualifying patient's medical condition.

20 (e) Inspection. Compassion centers are subject to reasonable inspection by the department
21 of ~~health, division of facilities~~ [business](#) regulation. During an inspection, the department [of](#)
22 [business regulation](#) may review the compassion center's confidential records, including its
23 dispensing records, which shall track transactions according to qualifying patients' registry
24 identification numbers to protect their confidentiality.

25 (f) Compassion center requirements:

26 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
27 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
28 Internal Revenue Services;

29 (2) A compassion center may not be located within one thousand (1,000) feet of the
30 property line of a preexisting public or private school, [nursery school or child daycare center as](#)
31 [defined in chapter 42-72.1](#);

32 (3) A compassion center shall notify the department [of business regulation](#) within ten
33 (10) days of when a principal officer, board member, agent, volunteer or employee ceases to work
34 at the compassion center [or is no longer affiliated with the compassion center](#). His or her card

1 shall be deemed null and void and the person shall be liable for any penalties that may apply to
2 any nonmedical possession or use of marijuana by the person;

3 (4) A compassion center shall notify the department of business regulation in writing of
4 the name, address, and date of birth of any new principal officer, board member, agent, volunteer
5 or employee and shall submit a fee in an amount established by the department of business
6 regulation for a new registry identification card before that person begins his or her relationship
7 with the compassion center;

8 (5) A compassion center shall implement appropriate security measures to deter and
9 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
10 shall ~~insure~~ ensure that each location has an operational security alarm system. Each compassion
11 center shall request that the Rhode Island state police visit the compassion center to inspect the
12 security of the facility and make any recommendations regarding the security of the facility and
13 its personnel within ten (10) days prior to the initial opening of each compassion center. Said
14 recommendations shall not be binding upon any compassion center, nor shall the lack of
15 implementation of said recommendations delay or prevent the opening or operation of any center.
16 If the Rhode Island state police do not inspect the compassion center within the ten (10) day
17 period there shall be no delay in the compassion center's opening.

18 (6) The operating documents of a compassion center shall include procedures for the
19 oversight of the compassion center and procedures to ensure accurate record keeping;

20 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
21 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
22 purpose except to assist registered qualifying patients with the medical use of marijuana directly
23 or through the qualifying patient's ~~other~~ primary caregiver or authorized purchaser;

24 (8) The department of business regulation may promulgate regulations governing the
25 approval and oversight of the delivery of usable marijuana to patient cardholders;

26 ~~(8)~~(9) All principal officers and board members of a compassion center must be residents
27 of the state of Rhode Island;

28 ~~(9)~~(10) Each time a new registered qualifying patient visits a compassion center, it shall
29 provide the patient with frequently asked questions sheet designed by the department of health,
30 which explains the limitations on the right to use medical marijuana under state law;

31 (11) Each compassion center shall be subject to any regulations promulgated by the
32 department of health that specify how usable marijuana must be tested for items included but not
33 limited to cannabinoid profile and contaminants;

34 (12) Each compassion center shall be subject to any product labeling requirements

1 [promulgated by the department of health;](#)

2 ~~(+10)~~[\(13\)](#) Each compassion center shall develop, implement, and maintain on the premises
3 employee, volunteer and agent policies and procedures to address the following requirements:

4 (i) A job description or employment contract developed for all employees and agents and
5 a volunteer agreement for all volunteers, which includes duties, authority, responsibilities,
6 qualifications, and supervision; and

7 (ii) Training in and adherence to state confidentiality laws.

8 ~~(+11)~~[\(14\)](#) Each compassion center shall maintain a personnel record for each employee,
9 agent and volunteer that includes an application and a record of any disciplinary action taken;

10 ~~(+12)~~[\(15\)](#) Each compassion center shall develop, implement, and maintain on the premises
11 an on-site training curriculum, or enter into contractual relationships with outside resources
12 capable of meeting employee training needs, which includes, but is not limited to, the following
13 topics:

14 (i) Professional conduct, ethics, and patient confidentiality; and

15 (ii) Informational developments in the field of medical use of marijuana.

16 ~~(+13)~~[\(16\)](#) Each compassion center entity shall provide each employee, agent and
17 volunteer, at the time of his or her initial appointment, training in the following:

18 (i) The proper use of security measures and controls that have been adopted; and

19 (ii) Specific procedural instructions on how to respond to an emergency, including
20 robbery or violent ~~accident~~ [incident](#);

21 ~~(+14)~~[\(17\)](#) All compassion centers shall prepare training documentation for each employee
22 and volunteer and have employees and volunteers sign a statement indicating the date, time, and
23 place the employee and volunteer received said training and topics discussed, to include name
24 and title of presenters. The compassion center shall maintain documentation of an employee's and
25 a volunteer's training for a period of at least six (6) months after termination of an employee's
26 employment or the volunteer's volunteering.

27 (g) Maximum amount of usable marijuana to be dispensed:

28 (1) A compassion center or principal officer, board member, agent, volunteer or
29 employee of a compassion center may not dispense more than two and one half ounces (2.5 oz) of
30 usable marijuana to a qualifying patient directly or through a qualifying patient's ~~other~~-primary
31 caregiver [or authorized purchaser](#) during a fifteen (15) day period;

32 (2) A compassion center or principal officer, board member, agent, volunteer or
33 employee of a compassion center may not dispense an amount of usable marijuana or marijuana
34 plants to a qualifying patient or a qualifying patient's ~~other~~-primary caregiver [or authorized](#)

1 [purchaser](#) that the compassion center, principal officer, board member, agent, volunteer, or
2 employee knows would cause the recipient to possess more marijuana than is permitted under the
3 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act;

4 [\(3\) Compassion centers shall utilize a database that contains all compassion center](#)
5 [transactions statewide according to qualifying patients' registry identification numbers to protect](#)
6 [their confidentiality. Compassion centers will not have access to any applications or supporting](#)
7 [information submitted by qualifying patients. Before dispensing marijuana to any patient, the](#)
8 [compassion center must utilize this database to ensure that the qualifying patient is not being](#)
9 [dispensed more than two and one half ounces \(2.5 oz.\) of usable marijuana directly or through the](#)
10 [qualifying patient's primary caregiver or authorized purchaser during a fifteen \(15\) day period.](#)

11 (h) Immunity:

12 (1) No registered compassion center shall be subject to prosecution; search, except by the
13 department [of business regulation](#) pursuant to subsection (e) [or by the department of health](#)
14 [pursuant to § 23-1-19](#); seizure; or penalty in any manner or denied any right or privilege,
15 including, but not limited to, civil penalty or disciplinary action by a business, occupational, or
16 professional licensing board or entity, solely for acting in accordance with this section to assist
17 registered qualifying patients ~~to whom it is connected through the department's registration~~
18 ~~process with the medical use of marijuana;~~

19 (2) No registered compassion center shall be subject to prosecution; seizure or penalty in
20 any manner or denied any right or privilege, including, but not limited to, civil penalty or
21 disciplinary action by a business, occupational, or professional licensing board or entity, for
22 selling, giving or distributing marijuana in whatever form and within the limits established by the
23 department [of business regulation](#) to another registered compassion center;

24 (3) No principal officers, board members, agents, volunteers, or employees of a registered
25 compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any
26 manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary
27 action by a business, occupational, or professional licensing board or entity, solely for working
28 for or with a compassion center to engage in acts permitted by this section;

29 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
30 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
31 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
32 the scope of his or her employment regarding the administration, execution and/or enforcement of
33 this act, and the provisions of Rhode Island general laws, §§ 9-31-8 and 9-31-9 shall be
34 applicable to this section.

1 (i) Prohibitions:

2 ~~(1) A compassion center must limit its inventory of seedlings, plants, and usable~~
3 ~~marijuana to reflect the projected needs of registered qualifying patients.~~

4 ~~(2)~~(1) A compassion center may not dispense, deliver, or otherwise transfer marijuana to
5 a person other than a qualifying patient ~~who has designated the compassion center as a~~ or to such
6 patient's primary caregiver or ~~to such patient's other primary caregiver~~ authorized purchaser;

7 ~~(3)~~(2) A person found to have ~~violated paragraph (2) of this subsection~~ dispensed,
8 delivered, or otherwise transferred marijuana to a person other than a qualifying patient, a
9 patient's primary caregiver, or a patient's authorized purchaser may not be an employee, agent,
10 volunteer, principal officer, or board member of any compassion center;

11 ~~(4)~~(3) An employee, agent, volunteer, principal officer or board member of any
12 compassion center found ~~in violation of paragraph (2) above~~ to have dispensed, delivered, or
13 otherwise transferred marijuana to a person other than a qualifying patient, a patient's primary
14 caregiver, or a patient's authorized purchaser shall have his or her registry identification revoked
15 ~~immediately~~ in accordance with the requirements of the administrative procedures act, chapter 35
16 of title 42; and

17 ~~(5)~~(4) No person who has been convicted of a felony drug offense or has entered a plea of
18 nolo contendere for a felony drug offense with a sentence or probation may be the principal
19 officer, board member, agent, volunteer, or employee of a compassion center unless the
20 department of business regulation has determined that the person's conviction was for the medical
21 use of marijuana or assisting with the medical use of marijuana in accordance with the terms and
22 conditions of this chapter. A person who is employed by or is an agent, volunteer, principal
23 officer, or board member of a compassion center in violation of this section is guilty of a civil
24 violation punishable by a fine of up to one thousand dollars (\$1,000). A subsequent violation of
25 this section is a misdemeanor:

26 (j) Legislative oversight committee:

27 (1) The general assembly shall appoint a nine (9) member oversight committee comprised
28 of: one member of the house of representatives; one member of the senate; one physician to be
29 selected from a list provided by the Rhode Island medical society; one nurse to be selected from a
30 list provided by the Rhode Island state nurses association; two (2) registered qualifying patients;
31 one registered primary caregiver; one patient advocate to be selected from a list provided by the
32 Rhode Island patient advocacy coalition; and the superintendent of the Rhode Island state police
33 or his/her designee.

34 (2) The oversight committee shall meet at least six (6) times per year for the purpose of

1 evaluating and making recommendations to the general assembly regarding:

- 2 (i) Patients' access to medical marijuana;
- 3 (ii) Efficacy of compassion ~~center~~ [centers](#);
- 4 (iii) Physician participation in the Medical Marijuana Program;
- 5 (iv) The definition of qualifying medical condition;
- 6 (v) Research studies regarding health effects of medical marijuana for patients.

7 (3) On or before January 1 of every even numbered year, the oversight committee shall
8 report to the general assembly on its findings.

9 **21-28.6-14. Cooperative cultivations.** – (a) Two (2) or more [primary caregiver or](#)
10 [qualifying patient](#) cardholders may cooperatively cultivate marijuana in residential or non-
11 residential locations subject to the following restrictions:

12 [\(1\) Cooperative cultivations shall apply to the department of business regulation for a](#)
13 [license to operate;](#)

14 ~~(1)~~[\(2\)](#) A cardholder can only cooperatively cultivate in one location;

15 ~~(2)~~[\(3\)](#) No single location may have more than one cooperative cultivation. For the
16 purposes of this section, location means one structural building, not units within a structural
17 building;

18 ~~(3)~~[\(4\)](#) The cooperative cultivation shall not be visible from the street or other public
19 areas;

20 ~~(4)~~[\(5\)](#) A written acknowledgement of the limitations of the right to use and possess
21 marijuana for medical purposes in Rhode Island that is signed by each cardholder and is
22 displayed prominently in the premises cooperative cultivation.

23 ~~(5)~~[\(6\)](#) Cooperative cultivations are restricted to the following possession limits:

24 (i) A non-residential, cooperative cultivation may have no more than ten (10) ounces of
25 usable marijuana, ~~forty-eight (48) mature~~ [and seventy-two \(72\)](#) marijuana plants, ~~and twenty-four~~
26 ~~(24) seedlings.~~

27 (ii) A residential, cooperative cultivation may have no more than ten (10) ounces of
28 useable marijuana, ~~twenty-four (24) mature~~ [and thirty-six \(36\)](#) marijuana plants, ~~and twelve (12)~~
29 ~~seedlings.~~

30 [\(iii\) For primary caregiver or qualifying patient cardholders operating under a](#)
31 [cooperative cultivation license, the department of business regulation shall only issue medical](#)
32 [marijuana plant tags in accordance with the per patient limits established in § 21-28.6-4\(a\) and §](#)
33 [21-28.6-4\(e\).](#)

34 ~~(6)~~[\(7\)](#) Cooperative cultivations must be inspected as follows:

1 (i) A non-residential, cooperative cultivation must have displayed prominently on the
2 premises documentation from the municipality where the single location is located that the
3 location and the cultivation has been inspected by the municipal building and/or zoning official
4 and the municipal fire department and is in compliance with any applicable state or municipal
5 housing and zoning codes.

6 (ii) A residential cooperative cultivation must have displayed prominently on the
7 premises an affidavit by a licensed electrician that the cultivation has been inspected and is in
8 compliance with any applicable state or municipal housing and zoning codes for the municipality
9 where the cooperative cultivation is located.

10 (iii) A non-residential or residential cooperative cultivation must have displayed
11 prominently on the premises its license issued by the department of business regulation.

12 (iv) Every marijuana plant possessed by a cooperative cultivation must be accompanied
13 by valid medical marijuana tag issued by the department of business regulation pursuant to § 21-
14 28.6-15. Each cooperative cultivation must purchase at least one (1) medical marijuana tag in
15 order to remain a licensed cooperative cultivation.

16 (iv) Cooperative cultivations are subject to reasonable inspection by the department of
17 business regulation for the purposes of enforcing regulations promulgated pursuant to this chapter
18 and all applicable Rhode Island general laws.

19 ~~(8)~~(8) Cooperative cultivations must report the location of the cooperative cultivation to
20 the division of state police.

21 ~~(8)~~(9) The reports provided to the division of state police in subsection (8) of this section
22 shall be confidential, but locations may be confirmed for law enforcement purposes. The report of
23 the location of the cooperative cultivation alone shall not constitute probable cause for a search of
24 the cooperative cultivation.

25 ~~(9)~~(10) The department of business regulation shall promulgate regulations governing the
26 licensing and operation of cooperative cultivations, and may promulgate regulations that set a fee
27 for a cooperative cultivation license.

28 (b) Any violation of any provision of this section shall result in the immediate revocation
29 of the cardholder's registry identification card. Any violation of any provision of this chapter or
30 regulations promulgated hereunder as determined by the department of business regulation may
31 result in the revocation/suspension of the cooperative cultivator license.

32 SECTION 2. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
33 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
34 sections:

1 **21-28.6-15. Medical Marijuana Plant Tags.** – (a) Every marijuana plant, either mature
2 or seedling, must be accompanied by a physical medical marijuana tag provided by the
3 department of business regulation:

4 (1) The department of business regulation shall charge an annual fee, established by
5 regulation, for each medical marijuana tag. The department of business regulation may
6 promulgate regulations that make medical marijuana tags available at a reduced price to patients
7 based on a patient’s income, or to a primary caregiver based on the income of those patients
8 receiving care from that primary caregiver. If the required fee has not been paid, those medical
9 marijuana tags shall be considered expired and are invalid.

10 (2) The department of business regulation shall verify with the department of health that
11 all medical marijuana tag purchases are made by patient cardholders, primary caregiver
12 cardholders, licensed cultivators, compassion centers, or cooperative cultivations. The department
13 of health shall provide this verification according to qualifying patients' registry identification
14 numbers to protect their confidentiality and without providing access to any applications or
15 supporting information submitted by qualifying patients.

16 (3) The department of business regulation shall maintain information pertaining to
17 medical marijuana tags and may share that information with the department of health.

18 (4) All primary caregivers shall purchase at least one (1) medical marijuana tag for each
19 patient under their care, all licensed cultivators shall purchase at least one (1) medical marijuana
20 tag, and all patients growing for themselves shall purchase at least one (1) medical marijuana tag.

21 (5) The department of business regulation shall promulgate regulations to establish a
22 process by which medical marijuana tags may be returned to the department. The department of
23 business regulation may choose to reimburse a portion or the entire amount of any fees paid for
24 medical marijuana tags that are subsequently returned.

25 (b) Enforcement:

26 (1) If a patient cardholder, primary caregiver cardholder, licensed cultivator, compassion
27 center, or cooperative cultivation violates any provision of this chapter or the regulations
28 promulgated hereunder as determined by the department of business regulation, his or her
29 medical marijuana tags may be revoked. In addition, the department that issued the cardholder’s
30 registration or the license may revoke the cardholder’s registration or license pursuant to § 21-
31 28.6-9.

32 (2) The department of business regulation shall revoke and shall not reissue medical
33 marijuana tags to any cardholder or licensee who is convicted of; placed on probation; whose
34 case is filed pursuant to § 12-10-12 where the defendant pleads nolo contendere; or whose case is

1 deferred pursuant to § 12-19-19 where the defendant pleads nolo contendere for any felony
2 offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act") or a similar
3 offense from any other jurisdiction.

4 (3) Primary caregiver cardholders, licensed cultivators, licensed compassion centers, and
5 licensed cooperative cultivations shall be subject to reasonable inspection by the department of
6 business regulation for the purposes of enforcing regulations promulgated pursuant to this chapter
7 and all applicable Rhode Island general laws. The department of business regulation shall
8 promulgate regulations governing the manner of these inspections, including the role, if any, of
9 law enforcement in these inspections.

10 (4) If a patient cardholder, primary caregiver cardholder, licensed cooperative cultivation,
11 or licensed cultivator is found to have marijuana plants exceeding the limits set forth in § 21-
12 28.6-4, § 21-28.6-14(a)(6), and § 21-28.6-17(c), in addition to any penalties that may be imposed
13 pursuant to § 21-28.6-9, the department of business regulation shall impose an administrative
14 penalty on that cardholder for each of these untagged marijuana plants of no less than the total fee
15 that would be paid by a cardholder who purchased medical marijuana tags for such plants in
16 compliance with this chapter.

17 **21-28.6-16. Caregivers.** – (a) The department of business regulation shall issue a registry
18 identification card to each primary caregiver who satisfies the registration requirements under this
19 chapter and any regulations promulgated hereunder. The department of business regulation shall
20 verify with the department of health that the qualifying patients identified in the primary
21 caregiver's application have in fact elected that person as their primary caregiver. This
22 verification process will be structured so that the department of business regulation will receive
23 only a positive or negative response from the department of health regarding the qualifying
24 patients' registry identification numbers to protect their confidentiality. Primary caregivers must
25 purchase at least one (1) plant medical marijuana tag for each patient under their care in
26 accordance with § 21-28.6-15 in order to become registered with the department of business
27 regulation.

28 (1) The primary caregiver applicant shall apply to the bureau of criminal identification of
29 the department of attorney general, state police, or local police department for a national criminal
30 records check that shall include fingerprints submitted to the Federal Bureau of Investigation.
31 Upon the discovery of any disqualifying information as defined in § 21-28.6-16(a)(4), and in
32 accordance with the regulations promulgated by the director of the department of business
33 regulation, the bureau of criminal identification of the department of attorney general, state
34 police, or the local police department shall inform the applicant, in writing, of the nature of the

1 disqualifying information; and, without disclosing the nature of the disqualifying information,
2 shall notify the department of business regulation, in writing, that disqualifying information has
3 been discovered.

4 (2) In those situations in which no disqualifying information has been found, the bureau
5 of criminal identification of the department of attorney general, state police, or the local police
6 shall inform the applicant and the department of business regulation, in writing, of this fact.

7 (3) The department of business regulation shall maintain on file evidence that a criminal
8 records check has been initiated on all applicants seeking a primary caregiver registry
9 identification card and the results of the checks. The primary caregiver cardholder shall not be
10 required to apply for a national criminal records check for each patient he or she is connected to
11 through the department of health's registration process, provided that he or she has applied for a
12 national criminal records check within the previous two (2) years in accordance with this chapter.
13 The department of business regulation shall not require a primary caregiver cardholder to apply
14 for a national criminal records check more than once every two (2) years.

15 (4) Information produced by a national criminal records check pertaining to a conviction
16 for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act"),
17 murder, manslaughter, rape, first-degree sexual assault, second-degree sexual assault, first-degree
18 child molestation, second-degree child molestation, kidnapping, first-degree arson, second-degree
19 arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon,
20 assault or battery involving grave bodily injury, and/or assault with intent to commit any offense
21 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
22 applicant and the department of business regulation disqualifying the applicant.

23 (5) The primary caregiver applicant shall be responsible for any expense associated with
24 the national criminal records check.

25 (6) For purposes of this section "conviction" means, in addition to judgments of
26 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
27 where the defendant has entered a plea of nolo contendere and has received a sentence of
28 probation and those instances where a defendant has entered into a deferred sentence agreement
29 with the attorney general.

30 (b) Persons issued registry identification cards shall be subject to the following:

31 (1) Ten (10) days after notification from the department of health to the department of
32 business regulation and the primary caregiver cardholder that a patient cardholder has changed
33 his or her primary caregiver, the primary caregiver cardholder's protections as provided in this
34 chapter as to that patient shall expire. If the primary caregiver cardholder is connected to no other

1 patient cardholders in the program, he or she must return his or her registry identification card to
2 the department of business regulation within ten (10) days of the date of such notice. A primary
3 caregiver who fails to comply with this provision is responsible for a civil infraction, punishable
4 by a fine of no more than one hundred fifty dollars (\$150).

5 (2) A primary caregiver cardholder shall notify and request approval from the department
6 of business regulation of any change in his or her name or address within ten (10) days of such
7 change. A primary caregiver who fails to notify the department of business regulation of any of
8 these changes is responsible for a civil infraction, punishable by a fine of no more than one
9 hundred fifty dollars (\$150).

10 (3) When a primary caregiver cardholder notifies the department of business regulation of
11 any changes listed in this subsection, the department of business regulation shall issue the
12 primary caregiver cardholder a new registry identification card after the department approves the
13 changes and receives from the cardholder payment of a fee specified in regulation.

14 (4) If a primary caregiver cardholder loses his or her registry identification card, he or she
15 shall notify the department of business regulation and submit a fee specified in regulation within
16 ten (10) days of losing the card. The department of business regulation shall issue a new registry
17 identification card with a new random identification number.

18 (5) A primary caregiver cardholder shall notify the department of business regulation of
19 any disqualifying criminal convictions as defined in § 21-28.6-16(a)(4). The department of
20 business regulation may choose to suspend and/or revoke his or her registry identification card
21 after such notification.

22 (6) If a primary caregiver cardholder violates any provision of this chapter or regulations
23 promulgated hereunder as determined by the department of business regulation, his or her registry
24 identification card may be suspended and/or revoked.

25 **21-28.6-17. Cultivators.** – (a) A licensed cultivator licensed under this section may
26 acquire, possess, cultivate, deliver, or transfer marijuana to licensed compassion centers. A
27 licensed cultivator shall not be a primary caregiver cardholder and shall not hold a cooperative
28 cultivation license. Except as specifically provided to the contrary, all provisions of the Edward
29 O. Hawkins and Thomas C. Slater Medical Marijuana Act, §§ 21-28.6-1 – 21-28.6-16 and §§ 21-
30 28.6-18 – 21-28.6-20, apply to a licensed cultivator unless they conflict with a provision
31 contained in § 21-28.6-17.

32 (b) Licensing of cultivators—department of business regulation authority. The department
33 of business regulation shall promulgate regulations governing the manner in which it shall
34 consider applications for the licensing of cultivators, including regulations governing:

- 1 (1) The form and content of licensing and renewal applications;
2 (2) Minimum oversight requirements for licensed cultivators;
3 (3) Minimum record-keeping requirements for cultivators;
4 (4) Minimum security requirements for cultivators; and
5 (5) Procedures for suspending, revoking or terminating the license of cultivators that
6 violate the provisions of this section or the regulations promulgated pursuant to this subsection.

7 (c) The department of business regulation shall promulgate regulations that govern how
8 many marijuana plants and how much usable marijuana a licensed cultivator may possess. Every
9 marijuana plant possessed by a licensed cultivator must be accompanied by valid medical
10 marijuana tag issued by the department of business regulation pursuant to § 21-28.6-15. Each
11 cultivator must purchase at least one (1) medical marijuana tag in order to remain a licensed
12 cultivator.

13 (d) Cultivators shall only sell usable marijuana to compassion centers. All marijuana
14 possessed by a cultivator in excess of the possession limit established pursuant to subsection (c)
15 above shall be under formal agreement to be purchased by a compassion center. If such excess
16 marijuana is not under formal agreement to be purchased, the cultivator will have a period of
17 time, specified in regulations promulgated by the department of business regulation, to sell or
18 destroy that excess marijuana. The department may suspend and/or revoke the cultivator's license
19 and the license of any officer, director, employee or agent of such cultivator and/or impose an
20 administrative penalty in accordance with such regulations promulgated by the department for
21 any violation of this section or the regulations. In addition, any violation of this section or the
22 regulations promulgated pursuant this subsection and subsection (c) above shall cause a licensed
23 cultivator to lose the protections described in § 21-28.6-4(i) and may subject the licensed
24 cultivator to arrest and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled
25 Substances Act).

26 (e) Cultivators shall only be licensed to grow marijuana at one dwelling unit or
27 commercial unit. The department of business regulation may promulgate regulations governing
28 where cultivators are allowed to grow. Cultivators must abide by all local ordinances, including
29 zoning ordinances.

30 (f) Inspection. Cultivators shall be subject to reasonable inspection by the department of
31 business regulation for the purposes of enforcing regulations promulgated pursuant to this chapter
32 and all applicable Rhode Island general laws.

33 (g) Income received by cultivators must be claimed as corporate income under chapters
34 11, 13, 14, or 17 of title 44 or as personal income under chapter 30 of title 44.

1 (h) The department of business regulation shall issue a license to each licensed cultivator
2 who satisfies the registration requirements under this chapter and any regulations promulgated
3 hereunder:

4 (1) The cultivator applicant shall apply to the bureau of criminal identification of the
5 department of attorney general, state police, or local police department for a national criminal
6 records check that shall include fingerprints submitted to the Federal Bureau of Investigation.
7 Upon the discovery of any disqualifying information as defined in § 21-28.6-17(h)(3), and in
8 accordance with the rules promulgated by the director of the department of business regulation,
9 the bureau of criminal identification of the department of attorney general, state police, or the
10 local police department shall inform the applicant, in writing, of the nature of the disqualifying
11 information; and, without disclosing the nature of the disqualifying information, shall notify the
12 department of business regulation, in writing, that disqualifying information has been discovered.

13 (2) In those situations in which no disqualifying information has been found, the bureau
14 of criminal identification of the department of attorney general, state police, or the local police
15 shall inform the applicant and the department of business regulation, in writing, of this fact.

16 (3) Information produced by a national criminal records check pertaining to a conviction
17 for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act"),
18 murder, manslaughter, rape, first-degree sexual assault, second-degree sexual assault, first-degree
19 child molestation, second-degree child molestation, kidnapping, first-degree arson, second-degree
20 arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon,
21 assault or battery involving grave bodily injury, and/or assault with intent to commit any offense
22 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
23 applicant and the department of business regulation disqualifying the applicant.

24 (4) The cultivator applicant shall be responsible for any expense associated with the
25 national criminal records check.

26 (5) For purposes of this section "conviction" means, in addition to judgments of
27 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
28 where the defendant has entered a plea of nolo contendere and has received a sentence of
29 probation and those instances where a defendant has entered into a deferred sentence agreement
30 with the attorney general.

31 (i) Persons issued licenses shall be subject to the following:

32 (1) A licensed cultivator shall notify and request approval from the department of
33 business regulation of any change in his or her name or address within ten (10) days of such
34 change. A cultivator who fails to notify the department of business regulation of any of these

1 changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
2 fifty dollars (\$150).

3 (2) When a licensed cultivator notifies the department of business regulation of any
4 changes listed in this subsection, the department of business regulation shall issue the cultivator a
5 new license after the department approves the changes and receives from the licensee payment of
6 a fee specified in regulation.

7 (3) If a licensed cultivator loses his or her license, he or she shall notify the department of
8 business regulation and submit a fee specified in regulation within ten (10) days of losing the
9 license. The department of business regulation shall issue a new license with a new random
10 identification number.

11 (4) A licensed cultivator shall notify the department of business regulation of any
12 disqualifying criminal convictions as defined in § 21-28.6-17(h)(3). The department of business
13 regulation may choose to suspend and/or revoke his or her license after such notification.

14 (5) If a licensed cultivator violates any provision of this chapter or regulations
15 promulgated hereunder as determined by the department of business regulation, his or her license
16 may be suspended and/or revoked.

17 **21-28.6-18. Excess plants.** – Subsequent to passage of this section, patient cardholders
18 and primary caregiver cardholders shall have until December 31, 2016 to sell or destroy
19 marijuana plants or usable marijuana which are in violation of § 21-28.6-4.

20 **21-28.6-19. Revenue.** – (a) All fees collected by the department of health from qualifying
21 patients and authorized purchasers shall be placed in a restricted receipt account to support the
22 department of health’s medical marijuana program.

23 (b) All fees collected by the department of business regulation from primary caregivers,
24 cultivators, cooperative cultivations, compassion centers, and compassion center cardholders shall
25 be placed in a restricted receipt account to support the department of business regulation’s
26 medical marijuana licensing program.

27 (c) All fees collected from the sale of marijuana plant medical marijuana tags shall place
28 in the general revenue fund.

29 **21-28.6-20. Patient information.** – (a) Applications and supporting information
30 submitted by qualifying patients, including information regarding their primary caregivers,
31 authorized purchasers, and practitioners, are confidential and protected under the federal Health
32 Insurance Portability and Accountability Act of 1996, and shall be exempt from the provisions of
33 chapter 2 of title 38 et seq. (Rhode Island access to public records act) and not subject to
34 disclosure, except to authorized employees of the department of health and the department of

1 business regulation as necessary to perform official duties of the department of health and the
2 department of business regulation.

3 (b) The department of health shall maintain a list of the persons to whom the department
4 of health has issued registry identification cards and the department of business regulation shall
5 maintain a list of the persons to whom the department of business regulation has issued registry
6 identification cards and licenses. Individual names and other identifying information of patient
7 cardholders and authorized purchasers on the list shall be confidential, exempt from the
8 provisions of Rhode Island access to public information, chapter 2 of title 38, and not subject to
9 disclosure, except to authorized employees of the department of health as necessary to perform
10 official duties of the department of health. Information collected by the department of business
11 regulation during the registration/licensing process from primary caregivers, cultivators,
12 compassion centers, and compassion center cardholders shall be subject to the provisions of
13 Rhode Island access to public information, chapter 2 of title 38, and shall be subject to redaction
14 for identifying information or any other information exempt under chapter 38-2.

15 (c) Law enforcement shall have access to information maintained by the department of
16 health and the department of business regulation only to the extent necessary to verify
17 information about medical marijuana tags, caregiver cardholders, licensed cultivators, cooperative
18 cultivations, and compassion center cardholders. Law enforcement shall not have direct access to
19 patient information, including any applications or supporting information submitted by qualifying
20 patients. Notwithstanding subsection (a) of this section, if law enforcement personnel need
21 information about a patient cardholder or authorized marijuana purchaser, then the department of
22 health shall verify to law enforcement personnel whether a registry identification card is valid
23 solely by confirming the random registry identification number.

24 (d) It shall be cause for removal and/or a one thousand dollar (\$1,000) fine, for any
25 person, including an employee or official of the department of health, department of business
26 regulation, or another state agency or local government, to breach the confidentiality of
27 qualifying patient information obtained pursuant to this chapter. Notwithstanding this provision,
28 employees of the department of health or the department of business regulation may notify law
29 enforcement about falsified or fraudulent information, or information that the department
30 reasonably believes to be falsified or fraudulent, submitted to the department of health or the
31 department of business regulation.

32 SECTION 3. Sections 42-14-1 and 42-14-2 of the General Laws in Chapter 42-14
33 entitled "Department of Business Regulation" are hereby amended to read as follows:

34 **42-14-1. Establishment – Head of department.** – There shall be a department of

1 business regulation. The head of the department shall be the director of business regulation who
2 shall carry out, except as otherwise provided by this title, this chapter; chapters 1, 2, and 4 – 12,
3 inclusive, of title 3; chapters 3, 20.5, 38, 49, 52, 53 and 58 of title 5; chapter 31 of title 6; chapter
4 11 of title 7; chapters 1 – 29, inclusive, of title 19, except § 19-24-6; [chapter 28.6 of title 21](#);
5 chapter 26 of title 23; chapters 1 – 36, inclusive, of title 27. The director of business regulation
6 shall also perform the duties required by any and all other provisions of the general laws and
7 public laws insofar as those provisions relate to the director of revenue and regulation, chief of
8 the division of banking and insurance, chief of the division of intoxicating beverages, and each of
9 the divisions, except as otherwise provided by this title.

10 **42-14-2. Functions of department.** – (a) It shall be the function of the department of
11 business regulation:

12 (1) To regulate and control banking and insurance, foreign surety companies, sale of
13 securities, building and loan associations, fraternal benefit and beneficiary societies;

14 (2) To regulate and control the manufacture, transportation, possession, and sale of
15 alcoholic beverages;

16 (3) To license and regulate the manufacture and sale of articles of bedding, upholstered
17 furniture, and filling materials;

18 [\(4\) To regulate the licensing of compassion centers, cultivators, cooperative cultivations,](#)
19 [and primary caregivers pursuant to Chapter 21-28.6 of the General Laws](#)

20 (b) Whenever any hearing is required or permitted to be held pursuant to law or
21 regulation of the department of business regulation, and whenever no statutory provision exists
22 providing that notice be given to interested parties prior to the hearing, no such hearing shall be
23 held without notice in writing being given at least ten (10) days prior to such hearing to all
24 interested parties. For purposes of this section, an "interested party" shall be deemed to include
25 the party subject to regulation hereunder, the Rhode Island consumers' council, and any party
26 entitled to appear at the hearing. Notice to the party that will be subject to regulation, the Rhode
27 Island consumers' council [Repealed], and any party who has made known his or her intention to
28 appear at the hearing shall be sufficient if it be in writing and mailed, first class mail, to the party
29 at his or her regular business address. Notice to the general public shall be sufficient hereunder if
30 it be by publication in a newspaper of general circulation in the municipality affected by the
31 regulation.

32 SECTION 4. Section 44-67-3 of the General Laws in Chapter 44-67 entitled “The
33 Compassion Center Surcharge Act” is hereby amended to read as follows:

34 **44-67-3. Imposition of surcharge – Compassion centers.** – [For periods prior to July 1,](#)

1 ~~2016, a~~ A surcharge at a rate of four percent (4.0%) shall be imposed upon the net patient revenue
2 received each month by every compassion center. For periods after July 1, 2016, a surcharge at a
3 rate of three percent (3.0%) shall be imposed upon the net patient revenue received each month
4 by every compassion center. Every compassion center shall pay the monthly surcharge to the tax
5 administrator no later than the twentieth (20th) day of the month following the month that the net
6 patient revenue was received. This surcharge shall be in addition to any other authorized fees that
7 have been assessed upon a compassion center.

8 SECTION 5. This article shall take effect as of July 1, 2016.

9 **ARTICLE 15**
10 **RELATING TO MUNICIPALITIES**

11 SECTION 1. Section 45-12-22.2 of the General laws in Chapter 45-12 entitled
12 “Indebtedness of Towns and Cities” is hereby amended to read as follows:

13 **45-12-22.2. Monitoring of financial operations – Corrective action.** – Subsections (a)
14 through ~~(e)~~(h) below shall apply to cities and towns.

15 (a) The chief financial officer of each municipality and each school district within the
16 state shall continuously monitor financial operations by tracking actual versus budgeted revenue
17 and expense.

18 (b) The chief financial officer of the municipality shall submit a report on a monthly basis
19 to the municipality's chief executive officer, each member of the city or town council, and school
20 district committee certifying the status of the municipal budget from all fund sources, including
21 the school department budget from all fund sources, or regional school district budget from all
22 fund sources. The chief financial officer of the municipality shall also submit a ~~quarterly report~~
23 ~~on or before the 25th day of the month succeeding the end of each fiscal quarter~~ budget-to-actual
24 financial information on or before the 25th day succeeding the last day of the sixth, ninth, and
25 twelfth month of each fiscal year to the division of municipal finance, ~~the commissioner of~~
26 ~~education, and the auditor general~~ pursuant to the provisions outlined in section (d) certifying the
27 status of the municipal budget, including the school budget that has been certified by the school
28 department. ~~Each quarterly report submitted must be signed by the chief executive officer, chief~~
29 ~~financial officer, the superintendent of the school district, and chief financial officer for the~~
30 ~~school district. The report has to be submitted to the city own council president and the school~~
31 ~~committee chair. It is encouraged, but not required, to have the council president/school~~
32 ~~committee chair sign the report.~~ The chief financial officer of the school department or school
33 district shall certify the status of the school district's budget and shall assist in the preparation of
34 these reports. The monthly report and ~~quarterly reports~~ budget-to-actual financial information as

1 [required in this section](#) shall be in a format prescribed by the division of municipal finance, the
2 commissioner of education, and the state auditor general. The [budget-to-actual financial](#)
3 [information and the monthly](#) reports shall contain a statement as to whether any actual or
4 projected shortfalls in budget line items are expected to result in a year-end deficit; the projected
5 impact on year-end financial results, including all accruals and encumbrances; and how the
6 municipality and school district plans to address any such shortfalls. In the event that the school
7 reporting is not provided, then state education aid may be withheld pursuant to the provisions of §
8 16-2-9.4(d).

9 [\(c\) In order to facilitate electronic upload to the “Transparency Portal” as defined herein,](#)
10 [the chief financial officer of the municipality shall also submit, as part of the annual audited](#)
11 [financial statements of the municipality, a municipal data report for the municipality’s general](#)
12 [fund containing content and in a format designated by the division of municipal finance and the](#)
13 [office of the auditor general. Such municipal data report shall be included in the scope of the](#)
14 [annual audit and shall be included in the municipality’s financial statements as supplementary](#)
15 [information.](#)

16 [\(d\) All budget-to-actual financial information as required in \(b\), municipal data report as](#)
17 [required in \(c\), and reports required pursuant to the provisions of § 44-35-10 shall be submitted to](#)
18 [the division of municipal finance through the use of the division’s Transparency Portal, in the](#)
19 [format required by the division of municipal finance, which will be located on the division’s](#)
20 [website. The division of municipal finance will create a finalized report from all information](#)
21 [submitted through the Transparency Portal \(“Transparency Report”\). The division of municipal](#)
22 [finance will submit the Transparency Report to the municipality to be signed by the chief](#)
23 [executive officer, chief financial officer, superintendent of the school district, and chief financial](#)
24 [officer for the school district. All signed Transparency Reports shall be posted to the](#)
25 [municipality’s website within ten \(10\) business days of receipt of such report. The municipalities](#)
26 [shall provide a copy of the signed Transparency Report to the commissioner of education, the](#)
27 [office of the auditor general, the municipality’s council president, and the school committee chair.](#)
28 [In addition, a copy of the signed Transparency Report which has been designated by the division](#)
29 [of municipal finance for the inclusion in the municipalities audited financial statements shall be](#)
30 [provided by the municipality to its auditor.](#)

31 ~~(e)~~(e) If any of the ~~quarterly reports~~ [budget-to-actual financial information](#) required under
32 subsection (b) project a year-end deficit, the chief financial officer of the municipality shall
33 submit to the state division of municipal finance, the commissioner of education, and the auditor
34 general a corrective action plan signed by the chief executive officer and chief financial officer on

1 or before the last day of the month succeeding the close of the fiscal quarter in which budget-to-
2 actual financial information is required, which provides for the avoidance of a year-end deficit or
3 structural deficit that could impact future years, and the school superintendent shall also comply
4 with the provisions of § 16-2-11(c) to assist in this effort. The plan may include recommendations
5 as to whether an increase in property taxes and/or spending cuts should be adopted to eliminate
6 the deficit. The plan shall include a legal opinion by municipal counsel that the proposed actions
7 under the plan are permissible under federal, state, and local law. The state division of municipal
8 affairs may rely on the written representations made by the municipality in the plan and will not
9 be required to perform an audit.

10 ~~(f)~~ If the division of municipal finance concludes the plan required hereunder is
11 insufficient and/or fails to adequately address the financial condition of the municipality, the
12 division of municipal finance can elect to pursue the remedies identified in § 45-12-22.7.

13 ~~(g)~~ The monthly reports and budget-to-actual financial information required shall
14 include the financial operations of any departments or funds of municipal government, including
15 the school department or the regional school district, notwithstanding the status of the entity as a
16 separate legal body. This provision does not eliminate the additional requirements placed on local
17 and regional school districts by §§ 16-2-9(f) and 16-3-11(e)(3).

18 (h) The “Transparency Portal” shall be an electronic interface which will be
19 implemented, maintained, and monitored by the state division of municipal finance with the
20 assistance of the state department of administration. In addition, the division of municipal finance
21 shall post to its website a list of participating and non-participating entities for each reporting
22 cycle identified under subsections (b), (c), and required reports pursuant to § 44-35-10.

23 Subsections ~~(i)~~ through ~~(m)~~ below shall apply to fire districts.

24 ~~(i)~~ The treasurer/chief financial officer or other fiduciary, as applicable, of the fire
25 district within the state shall continuously monitor the fire district's financial operations by
26 tracking actual versus budgeted revenue and expense.

27 ~~(j)~~ The treasurer/chief financial officer or other fiduciary, as applicable, of the fire
28 district shall submit a quarterly report on or before the 25th day of the month succeeding the end
29 of each fiscal quarter to the division of municipal finance and the state auditor general certifying
30 the status of the fire district's budget. Each quarterly report submitted must be signed by the chair
31 of the governing body and the treasurer/chief financial officer. The report shall be submitted to
32 the members of the governing body and the members of the town council. The quarterly reports
33 shall be in a format prescribed by the division of municipal finance and the state auditor general.
34 The reports shall contain a statement as to whether any actual or projected shortfalls in budget

1 line items are expected to result in a year-end deficit; the projected impact on year-end financial
2 results including all accruals and encumbrances; and how the fire district plans to address any
3 such shortfalls.

4 ~~(h)~~(k) If any of the quarterly reports required under subsection (g) above project a year-
5 end deficit, the treasurer/chief financial officer or other fiduciary, as applicable, of the fire district
6 shall submit to the division of municipal finance and the state auditor general a corrective action
7 plan signed by the chair of the governing body and treasurer/chief financial officer, or other
8 fiduciary as applicable, of the fire district on or before the last day of the month succeeding the
9 close of the fiscal quarter, which provides for the avoidance of a year-end deficit or structural
10 deficit that could impact future years. The plan may include recommendations as to whether an
11 increase in property taxes and/or spending cuts should be adopted to eliminate the deficit. The
12 plan shall include a legal opinion by legal counsel that the proposed actions under the plan are
13 permissible under federal, state, and local law. Said plan shall be sent to the members of the fire
14 district's governing body and the members of the town council. The division of municipal finance
15 may rely on the written representations made by the governing body of the fire district in the plan
16 and is not be required to perform an audit.

17 ~~(i)~~(l) If the division of municipal finance concludes the plan required hereunder is
18 insufficient and/or fails to adequately address the financial condition of the fire district, the
19 division of municipal finance can elect to pursue the remedies identified in § 45-12-22.7.

20 ~~(j)~~(m) The reports and plans required above shall also include, but not be limited to, a
21 comprehensive overview of the financial operations of the fire district, including a list of the
22 value of the fire district's assets (tangibles and intangibles) and liabilities.

23 SECTION 2. Section 44-35-10 of the General laws in Chapter 44-35 entitled "Property
24 Tax and Fiscal Disclosure – Municipal Budgets" is hereby amended to read as follows:

25 **44-35-10. Balanced municipal budgets – Additional reporting requirements –**
26 **Electronic reporting/municipal uniform chart of accounts.** – (a) The operating budgets for all
27 cities and towns shall provide for total appropriations which do not exceed total estimated
28 receipts, taking into account any general fund surplus or deficit estimated to be carried over from
29 the current fiscal year. The funding of accumulated deficits shall be consistent with the provisions
30 of § 45-12-22.

31 (b) The chief elected official in each city and town shall provide to the division of
32 municipal finance within thirty (30) days of final action, in the form and format required by the
33 division, the adopted budget survey.

34 (c) Within thirty (30) days of final action as referenced in subsection (b) above each city

1 or town shall provide to the division a five (5) year forecast, in the form and format required by
2 the division, for major funds as defined by generally accepted accounting principles as
3 established by the governmental accounting standards board (GASB). ~~The forecast shall include,~~
4 ~~but not be limited to, a scenario reflecting pensions and post-employment Benefits other than~~
5 ~~pensions (OPEB) obligations at one hundred percent (100%) of the annual required contribution~~
6 ~~(ARC), both for the general and unrestricted school funds.~~ The forecast shall also reflect any and
7 all underlying assumptions.

8 (d) The reports required under (b) and (c) above shall be submitted pursuant to the
9 requirements outlined under § 45-12-22.2 (d).

10 ~~(d)~~(e) Within sixty (60) days of executing changes in healthcare benefits, pension
11 benefits and OPEB a municipality shall provide a fiscal impact statement to the division of
12 municipal finance, reflecting the impact on any unfunded liability and ARC, as well as the impact
13 on the five (5) year forecast. The fiscal impact statements shall show underlying actuarial
14 assumptions and provide support for underlying assumptions.

15 ~~(e)~~(f) A municipality shall join electronic reporting/implement municipal uniform chart
16 of accounts (UCOA), within six (6) months of implementation.

17 SECTION 3. Section 42-142-4 of the General laws in Chapter 42-142 entitled
18 “Department of Revenue” is hereby amended to read as follows:

19 **42-142-4. Division of property valuation and municipal finance.** – (a) There is hereby
20 established within the department of revenue a division of property valuation and municipal
21 finance. The head of the office shall be the chief of property valuation and municipal finance.

22 (b) The division of property valuation and municipal finance shall have the following
23 duties:

24 (i) Provide assistance and guidance to municipalities in complying with state law;

25 (ii) ~~To~~ encourage cooperation between municipalities and the state in calculating,
26 evaluating and distributing state aid;

27 (iii) ~~To maintain a data center of information of use to municipalities;~~ Encourage the
28 exchange of information between the division and other governmental entities in an effort to
29 increase shared services by making available, through the use of web based applications or other
30 mediums municipal vendor contracts and/or any other data the division deems appropriate.

31 (iv) ~~To~~ maintain and compute financial and equalized property value information for
32 the benefit of municipalities and public policy decision makers;

33 (v) ~~To~~ encourage and assure compliance with state laws and policies relating to
34 municipalities especially in the areas of public disclosure, tax levies, financial reporting, and

1 property tax issues;

2 (vi) ~~To e~~Encourage cooperation between municipalities and the state by distributing
3 information and by providing technical assistance to municipalities;

4 (vii) ~~To g~~Give guidance to public decision makers on the equitable distribution of state
5 aid to municipalities; and

6 (viii) ~~To p~~Provide technical assistance for property tax administration.

7 SECTION 4. Section 45-13-12 of the General Laws in Chapter 45-13 entitled "State Aid"
8 is hereby amended to read as follows:

9 **45-13-12. Distressed communities relief fund.** – (a) There is established a fund to
10 provide state assistance to those Rhode Island cities and towns which have the highest property
11 tax burdens relative to the wealth of taxpayers.

12 (b) *Establishment of indices.* Four (4) indices of distress shall be established to determine
13 eligibility for the program. Each community shall be ranked by each distress index and any
14 community which falls into the lowest twenty percent (20%) of at least three (3) of the four (4)
15 indices shall be eligible to receive assistance. The four (4) indices are established as follows:

16 (1) *Percent of tax levy to full value of property.* This shall be computed by dividing the
17 tax levy of each municipality by the full value of property for each municipality. For the 1990-91
18 fiscal year, tax levy and full value shall be as of the assessment date December 31, 1986.

19 (2) *Per capita income.* This shall be the most recent estimate reported by the U.S.
20 Department of Commerce, Bureau of the Census.

21 (3) *Percent of personal income to full value of property.* This shall be computed by
22 multiplying the per capita income above by the most recent population estimate as reported by the
23 U.S. Department of Commerce, Bureau of the Census, and dividing the result by the full value of
24 property.

25 (4) *Per capita full value of property.* This shall be the full value of property divided by
26 the most recent estimate of population by the U.S. Department of Commerce, Bureau of the
27 Census.

28 (c) *Distribution of funds.* Funds shall be distributed to each eligible community on the
29 basis of the community's tax levy relative to the total tax levy of all eligible communities. For the
30 fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December
31 31, 1988. For each fiscal year thereafter, except for fiscal year 2007-2008, the reference year and
32 the fiscal year shall bear the same relationship. For the fiscal year 2007-2008 the reference year
33 shall be the same as for the distributions made in fiscal year 2006-2007.

34 Any newly qualifying community shall be paid fifty percent (50%) of current law

1 requirements the first year it qualifies. The remaining fifty percent (50%) shall be distributed to
2 the other distressed communities proportionately. When any community falls out of the distressed
3 community program, it shall receive a one-time payment of fifty percent (50%) of the prior year
4 requirement exclusive of any reduction for first year qualification. The community shall be
5 considered a distressed community in the fall-out year.

6 (d) *Appropriation of funds.* The state of Rhode Island shall appropriate funds in the
7 annual appropriations act to support this program. For each of the fiscal years ending June 30,
8 2011, June 30, 2012, and June 30, 2013 seven hundred eighty-four thousand four hundred fifty-
9 eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying
10 distressed community.

11 (e) *Payments.* Payments shall be made to eligible communities each August.

12 (f) *Mandatory Participation for Collection of Debts.* Any community determined to be a
13 distressed community under this chapter shall, within three (3) months of said determination,
14 contract with the tax administrator, pursuant to § 42-142-7, to allow the tax administrator to
15 collect outstanding liabilities owed to the distressed community. The division of municipal
16 finance shall determine which of said liabilities shall be subject to the collection by the tax
17 administrator.

18 SECTION 5. Sections 44-5-11.5 and 44-5-11.6 of the General Laws in Chapter 44-5
19 entitled "Levy and Assessment of Local Taxes" are hereby amended to read as follows:

20 **44-5-11.5. Legislative Findings—Revaluation cycle.**—It is found and declared that:

21 (1) Rhode Island property taxes continue to play a significant role in the financing of
22 local educational and municipal services. The general assembly recognizes that the way the
23 property tax is assessed, levied and collected can be improved to provide ~~more reliable and up-to-~~
24 ~~date property values in each of the cities and towns.~~ maximum efficiencies and cost savings while
25 maintaining reliable property values in each of the cities and towns.

26 ~~(2) The state's ten (10) year property revaluation cycle is the longest revaluation cycle in~~
27 ~~the country. Infrequent revaluations translate into disparities in property tax burden between types~~
28 ~~and classes of property within and among cities and towns. In addition, because each city and~~
29 ~~town represents multiple systems and procedures for administering the property tax, there is an~~
30 ~~inconsistent administration of property tax law and regulations.~~

31 ~~(3)~~(2) It is the intent of the general assembly to ensure that all taxpayers in Rhode Island
32 are treated equitably. ~~The more frequent the revaluation, the greater the equity within and among~~
33 ~~jurisdictions.~~ Ensuring that taxpayers are treated fairly begins with modernizing the
34 administration of the property tax that ensures:

- 1 (i) Up-to-date property values are maintained through ~~more frequent~~ regularly scheduled
 2 property revaluations;
- 3 (ii) Cities and towns meet defined standards related to performing updates of property
 4 values;
- 5 (iii) The state shares in the cost of performing updates of property values in the cities and
 6 towns;
- 7 (iv) A meaningful and effective method of ensuring that cities and towns comply with the
 8 ~~nine (9)~~ fifteen (15) year revaluation cycle and the updates of property values are developed;
- 9 (v) Procedures for administering the property tax are standardized – such as general
 10 reporting and classification systems;
- 11 (vi) Assessors and contracted property revaluation companies meet appropriate
 12 qualifications and standards; and
- 13 (vii) Intergovernmental cooperation in the administration of the property tax is
 14 maximized.

15 ~~(4)~~(3) With these findings in mind, it is the intent of the general assembly to institute a
 16 revaluation cycle where every city or town conducts ~~a revaluation within nine (9) years~~ two (2)
 17 updates in ten (10) years at five (5) year intervals from ~~of~~ the date of the prior revaluation and
 18 shall conduct ~~an update~~ a revaluation of real property ~~every three (3)~~ five (5) years from the date
 19 of the ~~last~~ second of said revaluation. Nothing contained in this section shall prohibit a city or
 20 town from conducting more frequent updates or revaluations.

21 **44-5-11.6. Assessment of valuations – Apportionment of levies.** – (a) Notwithstanding
 22 the provisions of § 44-5-11 [repealed], beginning on December 31, 2000, the assessors in the
 23 several towns and cities shall conduct an update as defined in this section or shall assess all
 24 valuations and apportion the levy of all taxes legally ordered under the rules and regulations, not
 25 repugnant to law, as the town meetings and city councils, respectively, shall, from time to time,
 26 prescribe; provided, that the update or valuation is performed in accordance with the following
 27 schedules:

28 (1)(i) For a transition period, for cities and towns that conducted or implemented a
 29 revaluation as of 1993 or in years later:

	Update	Revaluation
31 Lincoln	2000	2003
32 South Kingstown	2000	2003
33 Smithfield	2000	2003
34 West Warwick	2000	2003

1	Johnston	2000	2003
2	Burrillville	2000	2003
3	North Smithfield	2000	2003
4	Central Falls	2000	2003
5	North Kingstown	2000	2003
6	Jamestown	2000	2003
7	North Providence	2001	2004
8	Cumberland	2001	2004
9	Bristol	2004	2001
10	Charlestown	2001	2004
11	East Greenwich	2002	2005
12	Cranston	2005	2005
13	Barrington	2005	2005
14	Warwick	2003	2006
15	Warren	2003	2006
16	East Providence	2003	2006

17 (ii) Provided that the reevaluation period for the town of New Shoreham shall be
18 extended to 2003 and the update for the town of Hopkinton may be extended to 2007 with no
19 additional reimbursements by the state relating to the delay.

20 (iii) The implementation date for this schedule is December 31st, of the stated year.

21 (iv) ~~Those cities and towns not listed in this schedule shall continue the revaluation~~
22 ~~schedule pursuant to § 44-5-11 [repealed].~~ The law in effect prior to the effective date hereof
23 requiring revaluations and updates on certain specified dates, shall continue to be in effect after
24 the effective date hereof for those cities and towns which are required to conduct revaluations and
25 updates prior to the date listed in update 1 column of the schedule below.

26 (2)(i) ~~For the post transition period and in years thereafter~~ Except as provided in
27 (a)(1)(iv) above in years subsequent to the effective date hereof:

	Update #1	Update # 2	Revaluation
29	Woonsocket	2002	<u>2011</u> 2005 <u>2014</u> 2008 <u>2019</u>
30	Pawtucket	2002	<u>2011</u> 2005 <u>2014</u> 2008 <u>2019</u>
31	Portsmouth	2004	<u>2021</u> 2004 <u>2026</u> 2007 <u>2031</u>
32	Coventry	2004	<u>2021</u> 2004 <u>2026</u> 2007 <u>2031</u>
33	Providence	2003	<u>2012</u> 2006 <u>2015</u> 2009 <u>2020</u>
34	Foster	2002	<u>2022</u> 2005 <u>2027</u> 2008 <u>2032</u>

1	Middletown	2002	2022	2005	2027	2008	2032
2	Little Compton	2003	2023	2006	2028	2009	2033
3	Scituate	2003	2023	2006	2028	2009	2033
4	Westerly	2003	2023	2006	2028	2009	2033
5	West Greenwich	2004	2013	2007	2016	2010	2021
6	Glocester	2004	2013	2007	2016	2010	2021
7	Richmond	2004	2013	2007	2016	2010	2021
8	Bristol	2004	2021	2007	2026	2010	2031
9	Tiverton	2005	2014	2008	2017	2011	2022
10	Newport	2005	2014	2008	2018	2011	2023
11	New Shoreham	2006	2015	2009	2018	2012	2023
12	Narragansett	2005	2014	2008	2017	2011	2022
13	Exeter	2005	2014	2008	2017	2011	2022
14	Hopkinton	2007	2016	2010	2021	2013	2026
15	Lincoln	2006	2015	2009	2019	2012	2024
16	South Kingstown	2006	2015	2009	2018	2012	2023
17	Smithfield	2006	2015	2009	2018	2012	2023
18	West Warwick	2006	2015	2009	2020	2012	2025
19	Johnston	2006	2015	2009	2019	2012	2024
20	Burrillville	2006	2015	2009	2018	2012	2023
21	North Smithfield	2006	2015	2009	2019	2012	2024
22	Central Falls	2006	2015	2009	2020	2012	2025
23	North Kingstown	2006	2015	2009	2018	2012	2023
24	Jamestown	2006	2015	2009	2018	2012	2023
25	North Providence	2007	2016	2010	2021	2013	2026
26	Cumberland	2007	2016	2010	2021	2013	2026
27	Charlestown	2007	2016	2010	2021	2013	2026
28	East Greenwich	2008	2017	2011	2022	2014	2027
29	Cranston	2008	2019	2011	2024	2014	2029
30	Barrington	2008	2017	2011	2022	2014	2027
31	Warwick	2009	2019	2012	2024	2015	2029
32	Warren	2009	2018	2012	2023	2015	2028
33	East Providence	2009	2020	2012	2025	2015	2030

34 (ii) The implementation date for the schedule is December 31st of the stated year. Upon

1 the completion of the ~~update and revaluation according to this~~ schedule, spelled out in (i) above,
2 each city and town shall continue to conduct revaluations and updates in accordance with § 44-5-
3 11.5 (3). a revaluation within nine (9) years of the date of the prior revaluation and shall conduct
4 an update of real property every three (3) years from the last revaluation. Provided, that for the
5 town of Bristol, the time for the first statistical update following the 2010 revaluation shall be
6 extended from 2013 to 2014 and said statistical update shall be based on valuations as of
7 December 31, 2014.

8 (b) No later than February 1, 1998, the director of the department of revenue shall
9 promulgate rules and regulations consistent with the provisions of this section to define the
10 requirements for the updates that shall include, but not be limited to:

11 (1) An analysis of sales;

12 (2) A rebuilding of land value tables;

13 (3) A rebuilding of cost tables of all improvement items; and

14 (4) *A rebuilding of depreciation schedules*. Upon completion of an update, each city or
15 town shall provide for a hearing and/or appeal process for any aggrieved person to address any
16 issue that arose during the update.

17 (c) The costs incurred by the towns and cities for the first update shall be borne by the
18 state in an amount not to exceed twenty dollars (\$20.00) per parcel. The costs incurred by the
19 towns and cities for the second update shall be borne eighty percent (80%) by the state (in an
20 amount not to exceed sixteen dollars (\$16.00) per parcel) and twenty percent (20%) by the town
21 or city, and in the third update and thereafter, the state shall pay sixty percent (60%) of the update
22 (not to exceed twelve dollars (\$12.00) per parcel) and the town or city shall pay forty percent
23 (40%); provided, that for the second update and in all updates thereafter, that the costs incurred
24 by any city or town that is determined to be a distressed community pursuant to § 45-13-12 shall
25 be borne eighty percent (80%) by the state and twenty percent (20%) by the city or town for all
26 updates required by this section.

27 (d) The office of municipal affairs, after consultation with the League of Cities and
28 Towns and the Rhode Island Assessors' Association, shall recommend adjustments to the costs
29 formula described in subsection (c) of this section based upon existing market conditions.

30 (e) Any property that is either exempt from the local property tax pursuant to § 44-3-3 or
31 pays a city or town an amount in lieu of taxes is not required to have its values updated pursuant
32 to this section and the property is not eligible for the reimbursement provisions of subsection (c)
33 of this section. However, those properties that are exempt from taxation and are eligible for state
34 appropriations in lieu of property tax under the provisions of § 45-13-5.1 are eligible for state

1 reimbursement pursuant to subsection (c) of this section, provided, that these properties were
2 revalued as part of that city or town's most recent property revaluation.

3 (f) No city or town is required to conduct an update pursuant to this section unless the
4 state has appropriated sufficient funds to cover the state's costs as identified in subsection (c) of
5 this section.

6 (g) Any city or town that fails to conduct an update or revaluation as required by this
7 section, or requests and receives an extension of the dates specified in this section, shall receive
8 the same amount of state aid under §§ 45-13-1, 45-13-5.1, and 45-13-12 in the budget year for
9 which the new values were to apply as the city or town received in-state aid in the previous
10 budget year; provided, however, if the new year's entitlement is lower than the prior year's
11 entitlement, the lower amount applies, except for the town of New Shoreham for the fiscal year
12 2003.

13 (h) Any bill or resolution to extend the dates for a city or town to conduct an update or
14 revaluation must be approved by a two-thirds (2/3) majority of both houses of the general
15 assembly.

16 [\(i\) The department of revenue shall annually publish a fifteen \(15\) year schedule of the](#)
17 [updates and revaluations required of each city and town in order to assist municipalities in](#)
18 [complying with the requirements of this section.](#)

19 SECTION 6. This article shall take effect upon passage.

20 **ARTICLE 16**

21 **MAKING IT EASIER TO DO BUSINESS IN RHODE ISLAND**

22 SECTION 1. Section 28-43-8 of the General Laws in Chapter 28-43 entitled
23 "Employment Security – Contributions" is hereby amended to read as follows:

24 **28-43-8. Experience rates – Tables.** – (a)(1) Whenever, as of September 30, ~~1987~~ [2016](#),
25 or any subsequent computation date, the amount in the employment security fund available for
26 benefits is six and four tenths percent (6.4%) or more of total payrolls as determined in § 28-43-
27 1(9), an experience rate for each eligible employer for the immediately following calendar year
28 shall be determined in accordance with schedule A in this subsection.

29 (2) Whenever, as of September 30, ~~1987~~ [2016](#), or any subsequent computation date, the
30 amount in the employment security fund available for benefits is ~~six and one-tenth percent (6.1%)~~
31 [five and five-tenths percent \(5.5%\)](#) but less than six and four-tenths (6.4%) of total payrolls as
32 determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately
33 following calendar year shall be determined in accordance with schedule B in this subsection.

34 (3) Whenever, as of September 30, ~~1987~~ [2016](#), or any subsequent computation date the

1 amount in the employment security fund available for benefits is ~~five and eight tenths percent~~
2 ~~(5.8%)~~ four and seventy-five hundredths percent (4.75%) but less than ~~six and one tenth (6.1%)~~
3 five and five-tenths percent (5.5%) of total payrolls as determined in § 28-43-1(9), an experience
4 rate for each eligible employer for the immediately following calendar year shall be determined in
5 accordance with schedule C in this subsection.

6 (4) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
7 amount in the employment security fund available for benefits is ~~five and three tenths percent~~
8 ~~(5.3%)~~ four percent (4.0%) but less than ~~five and eight tenths (5.8%)~~ four and seventy-five
9 hundredths percent (4.75%) of total payrolls as determined in § 28-43-1(9), an experience rate for
10 each eligible employer for the immediately following calendar year shall be determined in
11 accordance with schedule D in this subsection.

12 (5) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
13 amount in the employment security fund available for benefits is ~~four and seven tenths percent~~
14 ~~(4.7%)~~ three and twenty-five hundredths percent (3.25%) but less than ~~five and three tenths~~
15 ~~(5.3%)~~ four percent (4.0%) of total payrolls as determined in § 28-43-1(9), an experience rate for
16 each eligible employer for the immediately following calendar year shall be determined in
17 accordance with schedule E in this subsection.

18 (6) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
19 amount in the employment security fund available for benefits is ~~three and six tenths percent~~
20 ~~(3.6%)~~ two and five-tenths percent (2.5%) but less than ~~four and seven tenths (4.7%)~~ three and
21 twenty-five hundredths percent (3.25%) of total payrolls as determined in § 28-43-1(9), an
22 experience rate for each eligible employer for the immediately following calendar year shall be
23 determined in accordance with schedule F in this subsection.

24 (7) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
25 amount in the employment security fund available for benefits is ~~three percent (3%)~~ one and
26 seventy-five hundredths percent (1.75%) but less than ~~three and six tenths (3.6%)~~ two and five-
27 tenths percent (2.5%) of total payrolls as determined in § 28-43-1(9), an experience rate for each
28 eligible employer for the immediately following calendar year shall be determined in accordance
29 with schedule G in this subsection.

30 (8) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
31 amount in the employment security fund available for benefits is ~~two and seventy five hundredths~~
32 ~~percent (2.75%)~~ one percent (1.0%) but less than ~~three percent (3%)~~ one and seventy-five
33 hundredths percent (1.75%) of total payrolls as determined in § 28-43-1(9), an experience rate for
34 each eligible employer for the immediately following calendar year shall be determined in

1 accordance with schedule H in this subsection.

2 (9) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
3 amount in the employment security fund available for benefits is less than ~~two and seventy five~~
4 ~~hundredths percent (2.75%)~~ one percent (1.0%) of total payrolls as determined in § 28-43-1(9), an
5 experience rate for each eligible employer for the immediately following calendar year shall be
6 determined in accordance with schedule I in this subsection.

7 (See Tax Tables on next page)

8 (10) [Deleted by P.L. 2010, ch. 23, art. 22, § 3].

9 (b) The contribution rate for each employer for a given calendar year shall be determined
10 and the employer notified of it not later than April 1 next succeeding each computation date. That
11 determination shall be binding unless an appeal is taken in accordance with provisions of § 28-
12 43-13.

13 SECTION 2. Chapter 28-39 of the General Laws entitled “Temporary Disability
14 Insurance – General Provisions” is hereby amended by adding thereto the following section:

15 **28-39-41. Task Force.**– (a) There is hereby established a task force on temporary
16 disability insurance fraud and program integrity. The task force shall consist of the following
17 members or their designees:

18 (1) the director of labor and training or designee;

19 (2) the secretary of health and human services or designee;

20 (3) the director of health or designee;

21 (4) the director of office of management and budget or designee; and

22 (5) the attorney general or designee.

23 The director of labor and training shall chair the task force.

24 (b) The task force shall coordinate joint efforts to combat fraud and abuse in the
25 temporary disability insurance program. The task force shall:

26 (1) Foster appropriate use of the program by both claimants and qualified healthcare
27 providers by educating them about the intent of the program, the benefits provided, acceptable
28 use of benefits and applicable requirements;

29 (2) Protect the integrity of the temporary disability insurance fund by performing joint
30 investigations into fraudulent activities; and

31 (3) Employ best practices as established by other insurance programs both public and
32 private to ensure program goals and objectives are aimed at providing efficient and effective
33 services to all customers.

34 (c) Notwithstanding and other law or regulation to the contrary, the task force shall

1 [facilitate timely information sharing between and among task force members, including the](#)
2 [establishment of protocols by which participating agencies will advise or refer to other agencies](#)
3 [matters of potential interest.](#)

4 SECTION 3. Sections 28-41-11 and 28-41-15 of the General Laws in Chapter 28-41
5 entitled “Temporary Disability Insurance – Benefits” are hereby amended to read as follows:

6 **28-41-15. Filing of claims – Restriction on waiting period credit or benefits – Copies**
7 **of law and regulations.** – (a) Benefit claims shall be filed pursuant to prescribed regulations.

8 (b) No individual shall be eligible for ~~waiting period credits or~~ benefits under this title for
9 any week of unemployment due to sickness which occurs more than ~~fifty-two (52) weeks~~ [ninety](#)
10 [\(90\) days](#) prior to the time when written notice of his or her claim for ~~waiting period credits or~~
11 benefits is mailed or delivered to the department of labor and training or such other agency as the
12 director may designate. [Notwithstanding the above, the director may extend the clam filing period](#)
13 [up to twenty-six \(26\) weeks if the individual can show a good medical reason for the delay in](#)
14 [filing the claim for benefits. \[See Tax Schedules\]](#)

15 (c) Each employer shall post and maintain printed statements of subsection (b) of this
16 section and of those regulations, in places readily accessible to individuals in his or her service.
17 Those printed statements shall be supplied by the director to each employer without cost to that
18 employer.

19 (d) Upon the filing of a claim, the director shall promptly mail a notice of the filing of the
20 claim to the claimant's most recent employer and to all employers for whom the claimant states
21 he or she performed services and earned wages during his or her base period. The employers shall
22 promptly furnish the information required to determine the claimant's benefit rights. If the
23 claimant's employer or employers have any information which might affect either the validity of
24 the claim or the right of the claimant to waiting period credit or benefits, the employer shall return
25 the notice with this information. Notwithstanding any inconsistent provisions of chapters 39 – 41
26 of this title, any employer who fails without good cause as established to the satisfaction of the
27 director to return the notice within seven (7) working days of its mailing shall pay a penalty of
28 twenty-five dollars (\$25.00) for each failure. This penalty shall be paid into the temporary
29 disability insurance reserve fund and if any employer fails to pay the penalty, when assessed, it
30 shall be collected by civil action as provided in § 28-40-12.

31 SECTION 4. Section 1 shall take effect upon passage. Sections 2 and 3 shall take effect
32 as of January 1, 2017.

TAX SCHEDULES

Employer's-Account Reserve Percentage	Schedule A Reserve Ratio of Fund	Schedule B Reserve Ratio of Fund	Schedule C Reserve Ratio of Fund	Schedule D Reserve Ratio of Fund	Schedule E Reserve Ratio of Fund	Schedule F Reserve Ratio of Fund	Schedule G Reserve Ratio of Fund	Schedule H Reserve Ratio of Fund	Schedule I Reserve Ratio of Fund under
Positive Percentages-									
21.50 and over	0.21	0.4	0.5	0.6	0.7	0.9	1.1	1.2	1.2
20.00 to 21.49	0.4	0.5	0.6	0.7	0.8	1.0	1.2	1.3	1.5
18.50 to 19.99	0.5	0.6	0.7	0.8	0.9	1.1	1.4	1.5	1.9
17.00 and over to 18.49	0.6	0.7	0.8	0.9	1.0	1.2	1.5	1.7	1.9
15.50 to 16.99	0.8	0.9	1.0	1.1	1.3	1.5	1.8	2.1	2.3
14.00 to 15.49	0.9	1.0	1.2	1.3	1.5	1.7	2.0	2.3	2.6
12.50 to 13.99	1.1	1.2	1.4	1.5	1.7	2.0	2.3	2.6	2.9
11.00 to 12.49	1.3	1.4	1.6	1.7	1.9	2.2	2.5	2.8	3.1
9.50 to 10.99	1.5	1.7	1.8	1.9	2.1	2.4	2.7	3.0	3.3
8.00 to 9.49	1.7	1.9	2.0	2.2	2.4	2.7	2.9	3.2	3.5
6.50 to 7.99	1.9	2.1	2.3	2.5	2.6	2.9	3.1	3.4	3.7
5.00 to 6.49	2.1	2.3	2.5	2.7	2.8	3.1	3.4	3.6	3.9
3.50 to 4.99	2.3	2.5	2.7	2.9	3.0	3.3	3.7	3.9	4.2
2.00 to 3.49	2.5	2.7	2.9	3.2	3.3	3.6	3.9	4.2	4.5
0.00 to 1.99	2.7	3.0	3.2	3.4	3.6	3.9	4.2	4.5	4.8
Negative Percentages									
-0.01 to -1.99	3.0	3.3	3.5	3.8	4.2	4.5	4.8	5.1	5.4
-2.00 to -3.99	3.3	3.5	3.8	4.1	4.5	4.8	5.1	5.4	5.7
-4.00 to -5.99	3.6	3.8	4.1	4.4	4.8	5.1	5.4	5.8	6.0
-6.00 to -7.99	3.9	4.1	4.4	4.7	5.1	5.4	5.8	6.2	6.4
-8.00 to -9.99	4.2	4.4	4.7	5.0	5.4	5.8	6.2	6.6	6.8
-10.00 to -11.99	4.5	4.7	5.0	5.4	5.8	6.2	6.6	7.0	7.2
-12.00 to -13.99	4.8	5.0	5.4	5.8	6.2	6.6	7.0	7.4	7.6
-14.00 to -15.99	5.1	5.4	5.8	6.2	6.6	7.0	7.4	7.8	8.0
-16.00 to -17.99	5.4	5.8	6.2	6.6	7.0	7.4	7.8	8.2	8.4
-18.00 to -19.99	5.8	6.2	6.6	7.0	7.4	7.8	8.2	8.6	8.8
-20.00 to -21.99	6.2	6.6	7.0	7.4	7.8	8.2	8.6	9.0	9.2
-22.00 to -23.99	6.6	7.0	7.4	7.8	8.2	8.6	9.0	9.4	9.6
-24.00 and over	7.0	7.4	7.8	8.2	8.6	9.0	9.4	9.8	10.0

1 **ARTICLE 17**

2 RELATING TO COMMERCE

3 SECTION 1. Section 42-64.26-5 of the General Laws in Chapter 42-64.26 entitled "Stay
4 Invested in RI Wavemaker Fellowship" is hereby amended to read as follows:

5 **42-64.26-5. Administration.** – (a) Application. An eligible graduate claiming an award
6 under this chapter shall submit to the commerce corporation an application in the manner that the
7 commerce corporation shall prescribe.

8 (b)~~(1)~~ Upon receipt of a proper application from an applicant who meets all of the
9 eligibility requirements, the commerce corporation shall select applicants on a competitive basis
10 to receive credits for up to a maximum amount for each service period ~~of one thousand dollars~~
11 ~~(\$1,000) for an associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree~~
12 ~~holder, and six thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but~~ not to
13 exceed the education loan repayment expenses incurred by such taxpayer during each service
14 period completed, for up to four (4) consecutive service periods provided that the taxpayer
15 continues to meet the eligibility requirements throughout the eligibility period. The commerce
16 corporation shall delegate the selection of the applicants that are to receive awards to a fellowship
17 committee to be convened by the commerce corporation and promulgate the selection procedures
18 the fellowship committee will use, which procedures shall require that the committee's
19 consideration of applications be conducted on a name-blind ~~and employer-blind~~ basis and that the
20 applications and other supporting documents received or reviewed by the fellowship committee
21 shall be redacted of the applicant's name, street address, and other personally-identifying
22 information ~~as well as the applicant's employer's name, street address, and other employer-~~
23 ~~identifying information.~~ The commerce corporation shall determine the composition of the
24 fellowship committee and the selection procedures it will use in consultation with the state's
25 chambers of commerce.

26 (2) An applicant who applies pursuant to subsection (b)(1) shall, subject to
27 appropriations, automatically be allowed a tax credit if the applicant satisfies the eligibility
28 requirements and the applicant satisfies the following additional criteria: the applicant (i) has
29 within one year of applying received a bachelor's or graduate degree with a cumulative grade
30 average of B+ or better, with such average to be determined pursuant to regulations adopted by
31 the commerce corporation, in one of the following fields: life, natural or environmental sciences;
32 computer, information or software technology; advanced mathematics or finance; engineering; or
33 industrial design or other commercially related design field; (ii) has within three months of
34 applying accepted or received an offer of employment satisfying the requirements of section 42-

1 [64.26-3\(8\)\(ii\); and \(iii\) has received a bachelor's or graduate degree from a Rhode Island](#)
2 [institution of higher education within one year of applying or has graduated from a Rhode Island](#)
3 [high school. Applicants not satisfying requirements \(i\) through \(iii\) of this subsection \(b\)\(2\) may](#)
4 [still be considered for tax credits pursuant to the procedure set forth in subsection \(b\)\(1\).](#)

5 (c) The credits awarded under this chapter shall not exceed one hundred percent (100%)
6 of the education loan repayment expenses incurred by such taxpayer during each service period
7 completed for up to four (4) consecutive service periods; [provided that, an individual may receive](#)
8 [an amount in tax credits in excess of one hundred percent \(100%\) of the education loan](#)
9 [repayment expenses incurred by such taxpayer if the excess is provided to ensure that the](#)
10 [taxpayer's proceeds upon redemption of the credit, after accounting for federal taxation and any](#)
11 [portion of the credit used against state tax liability, is equal to one hundred percent \(100%\) of the](#)
12 [education loan repayment expenses incurred by such the taxpayer for the relevant service period.](#)

13 Tax credits shall be issued annually to the taxpayer upon proof that (i) the taxpayer has actually
14 incurred and paid such education loan repayment expenses; (ii) the taxpayer continues to meet the
15 eligibility requirements throughout the service period; (iii) ~~T~~the award shall not exceed the
16 original loan amount plus any capitalized interest less award previously claimed under this
17 section; and (iv) that the taxpayer claiming an award is current on his or her student loan
18 repayment obligations.

19 (d) The commerce corporation shall not commit to overall awards in excess of the
20 amount contained in the fund.

21 (e) The commerce corporation shall reserve seventy percent (70%) of the awards issued
22 in a calendar year to applicants who are permanent residents of the state of Rhode Island or who
23 attended an institution of higher education located in Rhode Island when they incurred the
24 education loan expenses to be repaid.

25 (f) In administering awards, the commerce corporation shall:

26 (1) Require suitable proof that an applicant meets the eligibility requirements for award
27 under this chapter;

28 (2) Determine the contents of applications and other materials to be submitted in support
29 of an application for award under this chapter; and

30 (3) Collect reports and other information during the eligibility period for each award to
31 verify that a taxpayer continues to meet the eligibility requirements for an award.

32 SECTION 2. Chapter 42.64.26 of the General Laws entitled "Stay Invested in RI
33 Wavemaker Fellowship" is hereby amended by adding thereto the following sections:

34 **42-64.26-5.1. Alternative selection.** – [\(a\) An applicant meeting the eligibility](#)

1 requirements and within the eligibility period may receive a tax credit under this chapter if the
2 applicant has been nominated by a business for which tax credits have been reserved under this
3 section.

4 (b) A business may apply to the commerce corporation to reserve tax credits for
5 employees of that business. In determining whether to approve the application of a business, the
6 commerce corporation may take into account: the nature of the positions for which the tax credits
7 are earmarked and whether the positions are new to the state; whether the award of tax credits are
8 for positions that are difficult to fill in this state; and such other factors as the commerce
9 corporation deems relevant.

10 (c) A business for which tax credits are reserved may nominate applicants for tax credits
11 on an annual basis. A business may nominate only new full-time employees of the business or
12 employees who were nominated to receive tax credits in the preceding year.

13 (d) The commerce corporation shall require a business to enter into an incentive
14 agreement prior to tax credits under this chapter being reserved for the business which shall
15 include the following provisions, along with such others as the commerce corporation deems
16 appropriate:

17 (1) the maximum amount of tax credits reserved;

18 (2) the maximum number of employees to be allocated the tax credits reserved;

19 (3) the number of years, not to exceed four, for which credits will be reserved;

20 (4) a provision requiring a business to forfeit reserved tax credits if it fails to allocate
21 applicable tax credits to a specified minimum number of employees; and

22 (5) a provision specifying that the business shall not reduce the compensation or benefits
23 that would otherwise be paid to an employee on account of that employee being nominated for
24 allocation of the tax credits.

25 (e) No more than fifteen percent (15%) of the total amount of tax credits to be committed
26 under this chapter for a given year can be committed through credits reserved for a single
27 business.

28 SECTION 3. Sections 42-64.22-4, 42-64.22-7 and 42-64.22-8 of the General Laws in
29 Chapter 42-64.22 entitled "Tax Stabilization Incentive" are hereby amended as follows:

30 **42-64.22-4. Incentives for municipalities.** – (a) The qualifying community or hope
31 community grants a qualifying tax stabilization agreement in connection with a qualifying
32 project, upon certification by the commerce corporation and subject to availability of
33 appropriated funds, the commerce corporation shall provide a partial reimbursement of no more
34 than ten percent (10%) of the qualifying community and/or hope community's forgone tax

1 revenue. The qualification for reimbursement shall cease upon any termination or cessation of the
2 underlying tax stabilization agreement or upon exhaustion of funds appropriated pursuant to this
3 section.

4 (b) Notwithstanding subsection (a), the commerce corporation in any fiscal year may
5 enter into up to five (5) agreements permitting reimbursement in excess of ten percent (10%) of
6 foregone revenue for a qualifying tax stabilization agreement in connection with a qualifying
7 project, subject to the following conditions:

8 (1) Any community chosen to receive reimbursement in excess of ten percent (10%) of
9 the community's foregone revenue must be selected pursuant to a competitive process
10 administered by the commerce corporation, provided that the commerce corporation may
11 administer more than one such competitive process in any given fiscal year.

12 (2) The reimbursement provided to the community for the qualifying tax stabilization
13 agreement shall not exceed fifty percent (50%) of the community's foregone tax revenue.

14 (3) In the case of a qualifying community,

15 (i) the city or town council must pass a resolution designating the qualifying project as
16 the most important project to the municipality's economic development for that fiscal year; and

17 (ii) in any given fiscal year, a single qualifying community can only receive one (1)
18 agreement from the commerce corporation providing for reimbursement in excess of ten percent
19 (10%) of foregone revenue.

20 (4) In the case of a hope community,

21 (i) the city or town council shall pass a resolution designating the qualifying project as
22 one of the two most important projects to the municipality's economic development for that fiscal
23 year; and

24 (ii) in any given fiscal year, a single hope community can only receive two (2)
25 agreements from the commerce corporation providing for reimbursement in excess of ten percent
26 (10%) of foregone revenue.

27 (5) The qualification for reimbursement shall cease upon any termination or cessation of
28 the underlying tax stabilization agreement or upon exhaustion of funds appropriated pursuant to
29 this section.

30 **42-64.22-7. Alternative eligibility requirements.** – (a) Qualifying 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) Qualifying 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 is for a qualified development project involving an adaptive reuse of a
11 recognized historical structure or results in the creation of at least twenty (20) units of residential
12 housing.

13 **42-64.22-8. Reimbursement.** – The aggregate value of all reimbursements approved by
14 the commerce corporation pursuant to this chapter during the eligibility period shall not exceed
15 ~~the lesser of ten (10%) percent of the qualifying and/or hope communities' forgone tax revenue or~~
16 annual appropriations received by the commerce corporation for the program.

17 SECTION 4. Sections 44-48.3-4 and 44-48.3-6 of the General Laws in Chapter 44-48.3
18 entitled "Rhode Island New Qualified Jobs Incentive Act of 2015" are hereby amended to read as
19 follows:

20 **44-48.3-4. Rhode Island qualified jobs incentive program.** – (a) The Rhode Island
21 qualified jobs incentive program is hereby established as a program under the jurisdiction of and
22 shall be administered by the commerce corporation. The program may provide tax credits to
23 eligible businesses for an eligibility period not to exceed ten (10) years.

24 (b) An eligible business under the program shall be entitled to a credit against taxes
25 imposed pursuant to chapters 11, 13, 14, 17 or 30 of title 44 as further provided under this
26 chapter.

27 (c) The minimum number of new full-time jobs required to be eligible for a tax credit
28 under this program shall be as follows:

29 (1) For a business in a targeted industry that employs not more than one hundred (100)
30 full-time employees on the date of application to the commerce corporation, the creation of at
31 least ~~ten (10)~~ five (5) new full-time jobs in this state;

32 (2) For a business in a targeted industry that employs more than one hundred (100) full-
33 time employees on the date of application to the commerce corporation, either the creation of new
34 full-time jobs in this state in an amount not less than ~~ten percent (10%)~~ five percent (5%) of the

1 business's existing number of full-time employees or the creation of at least ~~one hundred (100)~~
2 fifty (50) new full-time jobs in this state;

3 (3) For a business in a non-targeted industry that employs not more than two hundred
4 (200) full-time employees on the date of application to the commerce corporation, the creation of
5 at least ~~twenty (20)~~ ten (10) new full-time jobs in this state; or

6 (4) For a business in a non-targeted industry that employs more than two hundred (200)
7 full-time employees on the date of application to the commerce corporation, either the creation of
8 new full-time jobs in this state in an amount not less than ~~ten percent (10%)~~ five percent (5%) of
9 the business's existing number of full-time employees or the creation of at least ~~one hundred~~
10 ~~(100)~~ fifty (50) new full-time jobs in this state.

11 (d) When a business applies for an incentive under this chapter, in order to assist the
12 commerce corporation in determining whether the business is eligible for the incentives under
13 this chapter, the business's chief executive officer, or equivalent officer, shall attest under oath:

14 (1) That any projected creation of new full-time jobs would not occur, or would not occur
15 in the state of Rhode Island, but for the provision of tax credits under the program;

16 (2) The business will create new full-time jobs in an amount equal to or greater than the
17 applicable number set forth in subsection (c) of this section;

18 (3) That the business's chief executive officer, or equivalent officer, has reviewed the
19 information submitted to the commerce corporation and that the representations contained therein
20 are accurate and complete.

21 (e) The commerce corporation shall establish, by regulation, the documentation an
22 applicant shall be required to provide under this subsection. Such documentation may include
23 documentation showing that the applicant could reasonably locate the new positions outside of
24 this state, or that the applicant is considering locating the positions outside of this state, or that it
25 would not be financially feasible for the applicant to create the positions without the tax credits
26 provided in this chapter.

27 (f) In the event that this attestation by the business's chief executive officer, or equivalent
28 officer, required under subsection (d) of this section is found to be willfully false, the commerce
29 corporation may revoke any award of tax credits in their entirety, which revocation shall be in
30 addition to any other criminal or civil penalties that the business and/or the officer may be subject
31 to under applicable law. Additionally, the commerce corporation may revoke any award of tax
32 credits in its entirety if the eligible business is convicted of bribery, fraud, theft, embezzlement,
33 misappropriation, and/or extortion involving the state, any state agency or political subdivision of
34 the state.

1 **44-48.3-6. Total amount of tax credit for eligible business.** – (a) The base amount of
2 the tax credit for an eligible business for each new full-time job shall be up to two thousand five
3 hundred dollars (\$2,500) annually.

4 (b) The total tax credit amount shall be calculated and credited to the business annually
5 for each year of the eligibility period after the commerce corporation, in consultation with the
6 division of taxation, has verified that the jobs covered by the tax credit have generated sufficient
7 personal income taxes to comply with subsection ~~(e)~~(d) of this section.

8 (c) In addition to the base amount of the tax credit, the amount of the tax credit to be
9 awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d)
10 of this section, if the business meets any of the following criteria or such other additional criteria
11 determined by the commerce corporation from time to time in response to evolving economic or
12 market conditions:

13 (1) For a business located within a hope community;

14 (2) For a targeted industry;

15 (3) For a business located within a transit oriented development area; and

16 (4) For an out-of-state business that relocates a business unit or units or creates a
17 significant number of new full-time jobs during the commitment period.

18 ~~(d) For any application made to the commerce corporation from 2015 through 2018, the~~
19 ~~tax credit for an eligible business for each new full-time job shall not exceed seven thousand five~~
20 ~~hundred dollars (\$7,500) annually.~~

21 ~~(e)~~(d) Notwithstanding the provisions of subsections (a) through ~~(d)~~(c) of this section, for
22 each application approved by the commerce corporation, the amount of tax credits available to be
23 obtained by the business annually shall not exceed the reasonable W-2 withholding received by
24 the state for each new full-time job created by a business for applications received by the
25 commerce corporation in 2015 through 2018.

26 ~~(d)~~(e) The commerce corporation shall establish regulations regarding the conditions
27 under which a business may submit more than one application for tax credits over time. The
28 commerce corporation may place limits on repeat applications.

29 SECTION 5. Section 42-64.20-7 of the General Laws in Chapter 42-64.20 entitled
30 "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

31 **42-64.20-7. Rebuild Rhode Island tax credit fund.** – There is hereby established at the
32 commerce corporation a restricted account known as the rebuild Rhode Island tax credit fund (the
33 "fund") in which all amounts appropriated for the redemption and/or reimbursement of tax credits
34 under this chapter shall be deposited. The Fund shall be used (i) to pay for the redemption of tax

1 credits or reimbursement to the state for tax credits applied against a taxpayer's liability; and (ii)
2 to provide reimbursements to municipalities authorized by the commerce corporation pursuant to
3 chapter 42-64.22 of the general laws. The Fund shall be exempt from attachment, levy or any
4 other process at law or in equity. The director of the department of revenue shall make a
5 requisition to the commerce corporation for funding during any fiscal year as may be necessary to
6 pay for the redemption of tax credits presented for redemption or to reimburse the state for tax
7 credits applied against a taxpayer's tax liability. The commerce corporation shall pay from the
8 Fund such amounts as requested by the director of the department of revenue necessary for
9 redemption or reimbursement in relation to tax credits granted under this chapter.

10 SECTION 6. Section 42-64.30-8 of the General Laws in Chapter 42-64.30 entitled
11 "Anchor Institution Tax Credit" is hereby amended to read as follows:

12 **42-64.30-8. Anchor institution tax credit fund.** – (a) There is hereby established at the
13 commerce corporation a restricted account known as the Anchor Institution tax credit fund (the
14 "fund") in which all amounts appropriated for the redemption and/or reimbursement of tax credits
15 under this chapter shall be deposited. The Fund shall be used to pay for the redemption of tax
16 credits or reimbursement to the state for tax credits applied against a taxpayer's liability. The
17 Fund shall be exempt from attachment, levy or any other process at law or in equity. The director
18 of the department of revenue shall make a requisition to the commerce corporation for funding
19 during any fiscal year as may be necessary to pay for the redemption of tax credits presented for
20 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
21 commerce corporation shall pay from the Fund such amounts as requested by the director of the
22 department of revenue necessary for redemption or reimbursement in relation to tax credits
23 granted under this chapter.

24 (b) The executive office of commerce may authorize the commerce corporation to
25 transfer amounts in the Fund to the rebuild Rhode Island tax credit fund created pursuant to § 42-
26 64.20-7.

27 SECTION 7. TITLE 42 of the General Laws entitled "State Affairs and Government" is
28 hereby amended by adding thereto the following chapter:

29 CHAPTER 64.32

30 REFUNDABLE RESEARCH AND DEVELOPMENT TAX CREDIT

31 **42-64.32-1. Short title.** -- This chapter shall be known and may be cited as the
32 "Refundable Research and Development Tax Credit Act."

33 **42-64.32-2. Legislative findings.** -- Underinvestment in research and development stunts
34 the growth of Rhode Island's economy and inhibits the potential of Rhode Island businesses.

1 Through the establishment of the refundable research and development tax credit program, Rhode
2 Island can foster research and development activity and thereby encourage local companies to
3 expand their innovation activities and also induce out-of-state businesses to consider Rhode
4 Island as a location to conduct research and development. In so doing, this program will further
5 advance the competitiveness of Rhode Island and its companies in the national and global
6 economies and result in the creation and/or retention of jobs and tax revenues for the state.

7 **42-64.32-3. Definitions.** -- As used in this chapter:

8 (1) “Base amount” shall have the same meaning as defined in 26 U.S.C. § 41.

9 (2) “Business” means a C corporation, S corporation, partnership, limited partnership,
10 limited liability partnership, limited liability company, or sole proprietorship;

11 (3) “Commerce corporation” means the Rhode Island commerce corporation established
12 pursuant to general laws § 42-64-1 et. seq;

13 (4) “Municipal property taxes” means taxes imposed by a municipality and incurred by a
14 business on real or personal property.

15 (5) “Qualified research expenses” shall have the same meaning as defined in 26 U.S.C.
16 § 41.

17 **42-64.32-4. Establishment of program.** -- A refundable research and development tax
18 credit program is hereby established as a program under the jurisdiction of and administered by
19 the commerce corporation. The program may authorize businesses to receive a refund of the tax
20 credit authorized under this chapter for an eligibility period of up to five (5) years.

21 **42-64.32-5. Tax credits.** – (a) To be eligible for tax credits under this chapter, a business
22 shall apply to the commerce corporation for approval prior to incurring the qualified research
23 expenses that will give rise to the tax credit sought. Such approval shall require that the business
24 submit a completed application as developed by the commerce corporation.

25 (b) The commerce corporation may take into account the following factors in determining
26 whether to approve a business for a refundable tax credit pursuant to this section: whether the
27 business has made a multi-year commitment to conduct research and development activities in
28 this state; whether the business will make a substantial new investment in plant, equipment, or
29 personnel in order to accomplish the proposed research and development activities; whether the
30 receipt of the credit is a factor in the business’s decision to conduct research and development
31 activities in this state; and such other factors as the commerce corporation deems relevant.

32 (c) The commerce corporation may authorize a business to receive a refundable tax credit
33 for an eligibility period of not more than five (5) years, beginning no earlier than the year in
34 which the business applied to the commerce corporation for a refundable tax credit.

1 (d) The amount of the credit shall be five percent (5%) (and in the case of amounts paid
2 or accrued after July 1, 2016, twenty-two and one-half percent (22.5%) for the first twenty-five
3 thousand dollars (\$25,000) worth of credit and sixteen and nine-tenths percent (16.9%) for the
4 amount of credit above twenty-five thousand dollars (\$25,000) of the excess, if any, of:

5 (1) The qualified research expenses for the taxable year, over

6 (2) The base amount.

7 (e) Notwithstanding subsection (d), the amount of the credit available to any business in
8 any given year shall not exceed the municipal property taxes incurred by the business in the
9 municipality or municipalities in which the qualified research expenses took place for the year in
10 which the business incurred the qualified research expenses up to a maximum of two-hundred
11 thousand dollars (\$200,000).

12 (f) Prior to issuance of any credits to an approved business, the commerce corporation
13 shall require the business to enter into an incentive agreement setting forth the business's
14 eligibility period for credits under this section, which is not to exceed five (5) years, and the terms
15 and conditions on the receipt of the credits.

16 (g) To claim a tax credit authorized by the corporation, an approved business shall apply
17 annually in each year of its eligibility period to the commerce corporation for a certification that
18 the business has met all the requirements of this section and the incentive agreement. The
19 commerce corporation shall issue to the business a certification or a written response detailing
20 any deficiencies precluding certification. The commerce corporation may deny certification, or
21 may revoke the incentive agreement if the business does not meet all requirements of this section
22 and any additional requirements set by the commerce corporation in the incentive agreement.

23 (h) Upon issuance of a certification by the commerce corporation under subsection (g) of
24 this section, the division of taxation shall, on behalf of the State of Rhode Island and at the
25 request of the business, issue tax credit certificates as specified in the certification.

26 (i) Subject to annual appropriation, a taxpayer shall be entitled to use the tax credit
27 available under this chapter against taxes imposed pursuant to chapters 11, 17, or 30 of title 44.

28 (j) Upon request of a taxpayer and subject to annual appropriation, the state shall refund a
29 credit provided under this chapter in whole or in part for one hundred percent (100%) of the value
30 of the tax credit. A taxpayer may only claim a refund of a credit amount for the year in which the
31 credit was issued. Credits carried over pursuant to subsection (k) shall not be refundable.

32 (k) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
33 tax liability for the year in which the credit is allowed, the amount that exceeds the taxpayer's tax
34 liability may be refunded pursuant to subsection (j) or carried forward for credit against the taxes

1 imposed for the succeeding four (4) years, or until the full credit is used, whichever occurs first.

2 (k) In the case of a corporation, this credit is only allowed against the tax of a corporation
3 included in a consolidated return that qualifies for the credit and not against the tax of other
4 corporations that may join in the filing of a consolidated tax return.

5 (n) Credits allowed to a partnership, a limited liability company taxed as a partnership,
6 or multiple owners of property shall be passed through to the persons designated as partners,
7 members or owners respectively pro rata or pursuant to an executed agreement among such
8 persons designated as partners, members or owners documenting an alternate distribution method
9 without regard to their sharing of other tax or economic attributes of such entity.

10 **42-64.32-6. Refundable research and development tax credit fund.** – There is hereby
11 established at the commerce corporation a restricted account known as the refundable research
12 and development tax credit fund (the “fund”) in which all amounts appropriated for the refund
13 and/or reimbursement of tax credits under this chapter shall be deposited. The fund shall be used
14 to pay for the refund of tax credits or reimbursement to the state for tax credits applied against a
15 taxpayer's liability. The fund shall be exempt from attachment, levy or any other process at law or
16 in equity. The director of the department of revenue shall make a requisition to the commerce
17 corporation for funding during any fiscal year as may be necessary to pay for the refund of tax
18 credits presented for refunding or to reimburse the state for tax credits applied against a taxpayer's
19 tax liability. The commerce corporation shall pay from the fund such amounts as requested by the
20 director of the department of revenue necessary for refund or reimbursement in relation to tax
21 credits granted under this chapter.

22 **42-64.32-7. Election of tax credit.** – In a given tax year, a business cannot use the credit
23 provided for under this chapter in conjunction with the tax credit provided for in section 44-32-3
24 of the general laws.

25 **42-64.32-8. Program integrity.** – (a) Program integrity being of paramount importance,
26 the commerce corporation shall establish procedures to ensure ongoing compliance with the terms
27 and conditions of the program established herein, including procedures to safeguard the
28 expenditure of public funds and to ensure that the funds further the objectives of the program.

29 (b) The commerce corporation and division of taxation shall promulgate such rules and
30 regulations pursuant to § 42-35-3 of the general laws as are necessary to carry out the intent and
31 purpose and implementation of the responsibilities of each under this chapter.

32 **42-64.32-9. Reporting requirements.** – (a) By September 1, 2017 and each year
33 thereafter, the commerce corporation shall report the name and address of each business entering
34 into an incentive agreement during the previous state fiscal year to the division of taxation. The

1 [commerce corporation shall also make this information publicly available on its website.](#)

2 [\(b\) By December 1, 2017 and each year thereafter, the office of management and budget](#)
3 [shall provide the governor with the sum, if any, to be appropriated to fund the refundable research](#)
4 [and development tax credit program.](#)

5 SECTION 8. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
6 Income Tax" is hereby amended to read as follows:

7 **44-30-2.6. Rhode Island taxable income – Rate of tax.** – (a) "Rhode Island taxable
8 income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C.
9 § 1 et seq., not including the increase in the basic standard deduction amount for married couples
10 filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and
11 the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by
12 the modifications in § 44-30-12.

13 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
14 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
15 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-
16 five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year
17 2002 and thereafter of the federal income tax rates, including capital gains rates and any other
18 special rates for other types of income, except as provided in § 44-30-2.7, which were in effect
19 immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of
20 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator
21 beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the
22 commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or
23 after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in § 44-30-
24 2.10 to calculate his or her personal income tax liability.

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

34 (1) For tax years beginning on or after January 1, 2005 and thereafter the exemption

1 amount for alternative minimum tax, for Rhode Island purposes, shall be adjusted for inflation by
2 the tax administrator in the manner prescribed for adjustment by the commissioner of Internal
3 Revenue in 26 U.S.C. § 1(f).

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

8 (A) Tax imposed.

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

11 If taxable income is:	The tax is:
12 Not over \$53,150	3.75% of taxable income
13 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
14 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
15 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
16 Over \$349,700	\$26,333.75 plus 9.9% of the excess over \$349,700

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

19 If taxable income is:	The tax is:
20 Not over \$42,650	3.75% of taxable income
21 Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
22 Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
23 Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
24 Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

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

28 If taxable income is:	The tax is:
29 Not over \$31,850	3.75% of taxable income
30 Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
31 Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
32 Over \$160,850 but not over \$349,700	\$10,852.5 plus 9.00% of the excess over \$160,850
33 Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

34 (4) There is hereby imposed on the taxable income of married individuals filing separate

1 returns and bankruptcy estates a tax determined in accordance with the following table:

2 If taxable income is:	The tax is:
3 Not over \$26,575	3.75% of taxable income
4 Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
5 Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
6 Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
7 Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

8 (5) There is hereby imposed a taxable income of an estate or trust a tax determined in
9 accordance with the following table:

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

16 (6) Adjustments for inflation.

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

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

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

20 (c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in making
21 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
22 be determined under section (J) by substituting "1994" for "1993."

23 (B) Maximum capital gains rates

24 (1) In general

25 If a taxpayer has a net capital gain for tax years ending prior to January 1, 2010, the tax
26 imposed by this section for such taxable year shall not exceed the sum of:

27 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
28 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).

29 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
30 1(h)(1)(c).

31 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26
32 U.S.C. 1(h)(1)(d).

33 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
34 1(h)(1)(e).

1 (2) For tax years beginning on or after January 1, 2010 the tax imposed on net capital
2 gain shall be determined under subdivision 44-30-2.6(c)(2)(A).

3 (C) Itemized deductions.

4 (1) In general

5 For the purposes of section (2) "itemized deductions" means the amount of federal
6 itemized deductions as modified by the modifications in § 44-30-12.

7 (2) Individuals who do not itemize their deductions

8 In the case of an individual who does not elect to itemize his deductions for the taxable
9 year, they may elect to take a standard deduction.

10 (3) Basic standard deduction.

11 The Rhode Island standard deduction shall be allowed in accordance with the following
12 table:

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

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

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

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

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

26 (a) \$850;

27 (b) The sum of \$300 and such individual's earned income;

28 (6) Certain individuals not eligible for standard deduction.

29 In the case of:

30 (a) A married individual filing a separate return where either spouse itemizes deductions;

31 (b) Nonresident alien individual;

32 (c) An estate or trust;

33 The standard deduction shall be zero.

34 (7) Adjustments for inflation.

1 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an
2 amount equal to:

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

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

6 (D) Overall limitation on itemized deductions

7 (1) General rule.

8 In the case of an individual whose adjusted gross income as modified by § 44-30-12
9 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
10 taxable year shall be reduced by the lesser of:

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

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

15 (2) Applicable amount.

16 (a) In general.

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

19 (b) Adjustments for inflation.

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

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

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

23 (3) Phase-out of Limitation.

24 (a) In general.

25 In the case of taxable year beginning after December 31, 2005, and before January 1,
26 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
27 would be the amount of such reduction.

28 (b) Applicable fraction.

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

31 For Taxable years beginning in calendar year	The applicable fraction
32 is	
33 2006 and 2007	2/3
34 2008 and 2009	1/3

1 (E) Exemption amount

2 (1) In general.

3 Except as otherwise provided in this subsection, the term "exemption amount" mean
4 \$3,400.

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

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

9 (3) Adjustments for inflation.

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

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

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

13 (4) Limitation.

14 (a) In general.

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

17 (b) Applicable percentage.

18 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
19 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
20 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
21 exceeds the threshold amount. In the case of a married individual filing a separate return, the
22 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
23 applicable percentage exceed one hundred percent (100%).

24 (c) Threshold Amount.

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

27 Filing status	Amount
28 Single	\$156,400
29 Married filing jointly of qualifying widow(er)	\$234,600
30 Married filing separately	\$117,300
31 Head of Household	\$195,500

32 (d) Adjustments for inflation.

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

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

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

2 (5) Phase-out of Limitation.

3 (a) In general.

4 In the case of taxable years beginning after December 31, 2005, and before January 1,
5 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
6 would be the amount of such reduction.

7 (b) Applicable fraction.

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

10	For Taxable years beginning in calendar year	The applicable fraction
11	is	
12	2006 and 2007	2/3
13	2008 and 2009	1/3

14 (F) Alternative minimum tax

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

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

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

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

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

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

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

24 (4) *Taxable excess.* For the purposes of this subsection the term "taxable excess" means
25 so much of the federal alternative minimum taxable income as modified by the modifications in §
26 44-30-12 as exceeds the exemption amount.

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

29 (6) Exemption amount.

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

31	Filing status	Amount
32	Single	\$39,150
33	Married filing jointly or qualifying widow(er)	\$53,700
34	Married filing separately	\$26,850

1 Head of Household \$39,150
2 Estate or trust \$24,650

3 (7) Treatment of unearned income of minor children

4 (a) In general.

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

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

8 (ii) \$6,000.

9 (8) Adjustments for inflation.

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

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

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

15 (9) Phase-out.

16 (a) In general.

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

20 (b) Threshold amount.

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

23 Filing status	Amount
24 Single	\$123,250
25 Married filing jointly or qualifying widow(er)	\$164,350
26 Married filing separately	\$82,175
27 Head of Household	\$123,250
28 Estate or Trust	\$82,150

29 (c) Adjustments for inflation

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

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

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

33 (G) Other Rhode Island taxes

34 (1) *General rule.* There is hereby imposed (in addition to any other tax imposed by this

1 subtitle) a tax equal to twenty-five percent (25%) of:

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

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

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

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

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

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

9 (I) Averaging of farm income

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

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

13 (J) Cost-of-living adjustment

14 (1) In general.

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

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

17 (b) The CPI for the base year.

18 (2) CPI for any calendar year.

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

22 (3) Consumer Price Index

23 For purposes of paragraph (2), the term "consumer price index" means the last consumer
24 price index for all urban consumers published by the department of labor. For purposes of the
25 preceding sentence, 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 (4) Rounding.

28 (a) In general.

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

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

33 (K) *Credits against tax.* For tax years beginning on or after January 1, 2001, a taxpayer
34 entitled to any of the following federal credits enacted prior to January 1, 1996 shall be entitled to

1 a credit against the Rhode Island tax imposed under this section:

- 2 (1) [Deleted by P.L. 2007, ch. 73, art. 7, § 5].
- 3 (2) Child and dependent care credit;
- 4 (3) General business credits;
- 5 (4) Credit for elderly or the disabled;
- 6 (5) Credit for prior year minimum tax;
- 7 (6) Mortgage interest credit;
- 8 (7) Empowerment zone employment credit;
- 9 (8) Qualified electric vehicle credit.

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

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

21 (N) Rhode Island earned income credit

22 (1) In general.

23 For tax years beginning before January 1, 2015 a taxpayer entitled to a federal earned
24 income credit shall be allowed a Rhode Island earned income credit equal to twenty-five percent
25 (25%) of the federal earned income credit. Such credit shall not exceed the amount of the Rhode
26 Island income tax.

27 For tax years beginning on or after January~~;~~ 1, 2015 and before January 1, 2016, a
28 taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income
29 credit equal to ten percent (10%) of the federal earned income credit. Such credit shall not exceed
30 the amount of the Rhode Island income tax.

31 For tax years beginning on or after January~~;~~ 1, 2016 and before January 1, 2017, a
32 taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income
33 credit equal to twelve and one-half percent (12.5%) of the federal earned income credit. Such
34 credit shall not exceed the amount of the Rhode Island income tax.

1 For tax years beginning on or after January 1, 2017, a taxpayer entitled to a federal
2 earned income credit shall be allowed a Rhode Island earned income credit equal to fifteen
3 percent (15%) of the federal earned income credit. Such credit shall not exceed the amount of the
4 Rhode Island income tax.

5 (2) Refundable portion.

6 In the event the Rhode Island earned income credit allowed under paragraph (N)(1) of
7 this section ~~(H)~~ exceeds the amount of Rhode Island income tax, a refundable earned income
8 credit shall be allowed as follows.

9 (i) For tax years beginning before January 1, 2015, for purposes of paragraph (2)
10 refundable earned income credit means fifteen percent (15%) of the amount by which the Rhode
11 Island earned income credit exceeds the Rhode Island income tax.

12 ~~(ii)~~ (ii) For tax years beginning on or after January 1, 2015, For for purposes of paragraph
13 (2) refundable earned income credit means one hundred percent (100%) of the amount by which
14 the Rhode Island earned income credit exceeds the Rhode Island income tax.

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

18 (3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode
19 Island taxable income" means federal adjusted gross income as determined under the Internal
20 Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
21 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
22 subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant of
23 subparagraph 44-30-2.6(c)(3)(C).

24 (A) Tax imposed.

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

RI Taxable Income		RI Income Tax	
Over	But not over	Pay+% on Excess	On the amount
31 over			
32 \$0-	\$55,000	\$0+3.75%	\$0
33 \$55,000	\$125,000	\$2,063 +4.75%	\$55,000
34 \$125,000		\$5,388+5.99%	\$125,000

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

RI Taxable Income		RI Income Tax	
Over	But not over	Pay+% on Excess	On the amount
5 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.

11 Only the Rhode Island standard deduction shall be allowed in accordance with the
12 following table:

Filing status:	Amount
14 Single	\$7,500
15 Married filing jointly or qualifying widow(er)	\$15,000
16 Married filing separately	\$7,500
17 Head of Household	\$11,250

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

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

26 (C) Exemption Amount:

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

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

34 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode

1 Island purposes pursuant to § 33-30-12, for the taxable year exceeds one hundred seventy- five
2 thousand dollars (\$175,000), the exemption amount shall be reduced by the applicable
3 percentage. The term "applicable percentage" means twenty (20) percentage points for each five
4 thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for
5 the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

6 (E) *Adjustment for inflation.* The dollar amount contained in subparagraphs 44-30-
7 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
8 equal to:

9 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-
10 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,
11 multiplied by;

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

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

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

22 (V) If any increase determined under this section is not a multiple of fifty dollars
23 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
24 case of a married individual filing separate return, if any increase determined under this section is
25 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
26 multiple of twenty-five dollars (\$25.00).

27 (E) Credits against tax.

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

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

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

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

3 (d) *Credit for income taxes of other states.* Credit shall be allowed for income tax paid to
4 other states pursuant to § 44-30-74.

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

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

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

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

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

21 (j) *Stay Invested in RI Wavemaker Fellowship:* Credit shall be allowed for stay invested
22 in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

23 (k) *Rebuild Rhode Island:* Credit shall be allowed for rebuild RI tax credit as provided in
24 § 42-64.20-1 et seq.

25 (l) *Rhode Island Qualified Jobs Incentive Program:* Credit shall be allowed for Rhode
26 Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

27 [\(m\) Refundable Research and Development Tax Credit: Credit shall be allowed for](#)
28 [refundable research and development tax credit as provided in § 42-64.32-1 et seq.](#)

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

31 SECTION 9. This article shall take effect upon passage.

32 **ARTICLE 18**

33 RELATING TO RENEWABLE ENERGY PROGRAMS

34 SECTION 1. Section 39-2-1.2 of the General Laws in Chapter 39-2 entitled "Duties of

1 Utilities and Carriers” is hereby amended to read as follows:

2 **39-2-1.2. Utility base rate – Advertising, demand side management and renewables.**

3 =(a) In addition to costs prohibited in § 39-1-27.4(b), no public utility distributing or providing
4 heat, electricity, or water to or for the public shall include as part of its base rate any expenses for
5 advertising, either direct or indirect, which promotes the use of its product or service, or is
6 designed to promote the public image of the industry. No public utility may furnish support of
7 any kind, direct, or indirect, to any subsidiary, group, association, or individual for advertising
8 and include the expense as part of its base rate. Nothing contained in this section shall be deemed
9 as prohibiting the inclusion in the base rate of expenses incurred for advertising, informational or
10 educational in nature, which is designed to promote public safety conservation of the public
11 utility's product or service. The public utilities commission shall promulgate such rules and
12 regulations as are necessary to require public disclosure of all advertising expenses of any kind,
13 direct or indirect, and to otherwise effectuate the provisions of this section.

14 (b) Effective as of January 1, 2008, and for a period of fifteen (15) years thereafter, each
15 electric distribution company shall include a charge per kilowatt-hour delivered to fund demand
16 side management programs. The 0.3 mills per kilowatt-hour delivered to fund renewable energy
17 programs shall remain in effect until December 31, ~~2017~~ 2022. The electric distribution company
18 shall establish and, after July 1, 2007, maintain two (2) separate accounts, one for demand side
19 management programs (the "demand side account"), which shall be funded by the electric
20 demand side charge and administered and implemented by the distribution company, subject to
21 the regulatory reviewing authority of the commission, and one for renewable energy programs,
22 which shall be administered by the Rhode Island commerce corporation pursuant to § 42-64-13.2
23 and, shall be held and disbursed by the distribution company as directed by the Rhode Island
24 commerce corporation for the purposes of developing, promoting and supporting renewable
25 energy programs.

26 During the time periods established in § 39-2-1.2(b), the commission may, in its
27 discretion, after notice and public hearing, increase the sums for demand side management and
28 renewable resources. In addition, the commission shall, after notice and public hearing, determine
29 the appropriate charge for these programs. The office of energy resources and/or the administrator
30 of the renewable energy programs may seek to secure for the state an equitable and reasonable
31 portion of renewable energy credits or certificates created by private projects funded through
32 those programs. As used in this section, "renewable energy resources" shall mean: (1) power
33 generation technologies as defined in § 39-26-5, "eligible renewable energy resources", including
34 off-grid and on-grid generating technologies located in Rhode Island as a priority; (2) research

1 and development activities in Rhode Island pertaining to eligible renewable energy resources and
2 to other renewable energy technologies for electrical generation; or (3) projects and activities
3 directly related to implementing eligible renewable energy resources projects in Rhode Island.
4 Technologies for converting solar energy for space heating or generating domestic hot water may
5 also be funded through the renewable energy programs. Fuel cells may be considered an energy
6 efficiency technology to be included in demand sided management programs. Special rates for
7 low-income customers in effect as of August 7, 1996 shall be continued, and the costs of all of
8 these discounts shall be included in the distribution rates charged to all other customers. Nothing
9 in this section shall be construed as prohibiting an electric distribution company from offering
10 any special rates or programs for low-income customers which are not in effect as of August 7,
11 1996, subject to the approval by the commission.

12 (1) The renewable energy investment programs shall be administered pursuant to rules
13 established by the Rhode Island commerce corporation. Said rules shall provide transparent
14 criteria to rank qualified renewable energy projects, giving consideration to:

- 15 (i) the feasibility of project completion;
16 (ii) the anticipated amount of renewable energy the project will produce;
17 (iii) the potential of the project to mitigate energy costs over the life of the project; and
18 (iv) the estimated cost per kilo-watt hour (kwh) of the energy produced from the project.
19 (c) [Deleted by P.L. 2012, ch. 241, art. 4, § 14].

20 (d) The ~~executive director of the economic development~~ [commerce](#) corporation is
21 authorized and may enter into a contract with a contractor for the cost effective administration of
22 the renewable energy programs funded by this section. A competitive bid and contract award for
23 administration of the renewable energy programs may occur every three (3) years and shall
24 include as a condition that after July 1, 2008 the account for the renewable energy programs shall
25 be maintained and administered by the ~~economic development~~ [commerce](#) corporation as provided
26 for in subdivision (b) above.

27 (e) Effective January 1, 2007, and for a period of sixteen (16) years thereafter, each gas
28 distribution company shall include, with the approval of the commission, a charge per deca therm
29 delivered to fund demand side management programs (the "gas demand side charge"), including,
30 but not limited to, programs for cost-effective energy efficiency, energy conservation, combined
31 heat and power systems, and weatherization services for low income households.

32 (f) Each gas company shall establish a separate account for demand side management
33 programs (the "gas demand side account"), which shall be funded by the gas demand side charge
34 and administered and implemented by the distribution company, subject to the regulatory

1 reviewing authority of the commission. The commission may establish administrative
2 mechanisms and procedures that are similar to those for electric demand side management
3 programs administered under the jurisdiction of the commissions and that are designed to achieve
4 cost-effectiveness and high life-time savings of efficiency measures supported by the program.

5 (g) The commission may, if reasonable and feasible, except from this demand side
6 management charge:

7 (i) gas used for distribution generation; and

8 (ii) gas used for the manufacturing processes, where the customer has established a self-
9 directed program to invest in and achieve best effective energy efficiency in accordance with a
10 plan approved by the commission and subject to periodic review and approval by the
11 commission, which plan shall require annual reporting of the amount invested and the return on
12 investments in terms of gas savings.

13 (h) The commission may provide for the coordinated and/or integrated administration of
14 electric and gas demand side management programs in order to enhance the effectiveness of the
15 programs. Such coordinated and/or integrated administration may after March 1, 2009, upon the
16 recommendation of the office of energy resources, be through one or more third-party entities
17 designated by the commission pursuant to a competitive selection process.

18 (i) Effective January 1, 2007, the commission shall allocate from demand-side
19 management gas and electric funds authorized pursuant to this § 39-2-1.2, an amount not to
20 exceed two percent (2%) of such funds on an annual basis for the retention of expert consultants,
21 and reasonable administrations costs of the energy efficiency and resources management council
22 associated with planning, management, and evaluation of energy efficiency programs, renewable
23 energy programs, system reliability least-cost procurement, and with regulatory proceedings,
24 contested cases, and other actions pertaining to the purposes, powers and duties of the council,
25 which allocation may by mutual agreement, be used in coordination with the office of energy
26 resources to support such activities.

27 (j) Effective January 1, 2016, the commission shall annually allocate from the
28 administrative funding amount allocated in subsection (i) from the demand-side management
29 program as described in subsection (i) as follows: fifty percent (50%) for the purposes identified
30 in subsection (i) and fifty percent (50%) annually to the office of energy resources for activities
31 associated with planning management, and evaluation of energy efficiency programs, renewable
32 energy programs, system reliability, least-cost procurement, and with regulatory proceedings,
33 contested cases, and other actions pertaining to the purposes, powers and duties of the office of
34 energy resources.

1 (k) On April 15, of each year the office and the council shall submit to the governor, the
2 president of the senate, and the speaker of the house of representatives, separate financial and
3 performance reports regarding the demand-side management programs, including the specific
4 level of funds that were contributed by the residential, municipal, and commercial and industrial
5 sectors to the overall programs; the businesses, vendors, and institutions that received funding
6 from demand-side management gas and electric funds used for the purposes in § 39-2-1.2; and the
7 businesses, vendors, and institutions that received the administrative funds for the purposes in
8 sections 39-2-1.2(i) and 39-2-1.2(j). These reports shall be posted electronically on the websites
9 of the office of energy resources and the energy efficiency resource management council.

10 (l) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank,
11 each electric distribution company, except for the Pascoag Utility District and Block Island Power
12 Company, shall remit two percent (2%) of the amount of the 2014 electric demand side charge
13 collections to the Rhode Island infrastructure bank in accordance with the terms of § 46-12.2-
14 14.1.

15 (m) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank,
16 each gas distribution company shall remit two percent (2%) of the amount of the 2014 gas
17 demand side charge collections to the Rhode Island infrastructure bank in accordance with the
18 terms of § 46-12.2-14.1.

19 SECTION 2. Section 39-26.4-2 of the General Laws in Chapter 39-26.4 entitled "Net
20 Metering" is hereby amended to read as follows:

21 **39-26.4-2. Definitions.** – Terms not defined in this section herein shall have the same
22 meaning as contained in chapter 26 of title 39 of the general laws. When used in this chapter:

23 (1) "Eligible net metering resource" means eligible renewable energy resource as defined
24 in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically
25 excluding all other listed eligible biomass fuels;

26 (2) "Eligible Net Metering System" means a facility generating electricity using an
27 eligible net metering resource that is reasonably designed and sized to annually produce
28 electricity in an amount that is equal to or less than the renewable self-generator's usage at the
29 eligible net metering system site measured by the three (3) year average annual consumption of
30 energy over the previous three (3) years at the electric distribution account(s) located at the
31 eligible net metering system site. A projected annual consumption of energy may be used until
32 the actual three (3) year average annual consumption of energy over the previous three (3) years
33 at the electric distribution account(s) located at the eligible net metering system site becomes
34 available for use in determining eligibility of the generating system. The eligible net metering

1 system ~~may must~~ be owned by the same entity that is the customer of record on the net metered
2 accounts or by a third-party company through a third-party financing arrangement.

3 Notwithstanding any other provisions of this chapter, any eligible net metering resource: (i)
4 owned by a public entity or multi-municipal collaborative or (ii) owned and operated by a
5 renewable generation developer on behalf of a public entity or multi-municipal collaborative
6 through public or private entity net metering financing arrangement shall be treated as an eligible
7 net metering system and all accounts designated by the public entity or multi-municipal
8 collaborative for net metering shall be treated as accounts eligible for net metering within an
9 eligible net metering system site.

10 (3) "Eligible Net Metering System Site" means the site where the eligible net metering
11 system is located or is part of the same campus or complex of sites contiguous to one another and
12 the site where the eligible net metering system is located or a farm in which the eligible net
13 metering system is located. Except for an eligible net metering system owned by or operated on
14 behalf of a public entity or multi-municipal collaborative through a public entity net metering
15 financing arrangement, the purpose of this definition is to reasonably assure that energy generated
16 by the eligible net metering system is consumed by net metered electric service account(s) that
17 are actually located in the same geographical location as the eligible net metering system. Except
18 for an eligible net metering system owned by or operated on behalf of a public entity or multi-
19 municipal collaborative through a public entity net metering financing arrangement or through a
20 third-party financing arrangement, all of the net metered accounts at the eligible net metering
21 system site must be the accounts of the same customer of record and customers are not permitted
22 to enter into agreements or arrangements to change the name on accounts for the purpose of
23 artificially expanding the eligible net metering system site to contiguous sites in an attempt to
24 avoid this restriction. However, a property owner may change the nature of the metered service at
25 the accounts at the site to be master metered in the owner's name, or become the customer of
26 record for each of the accounts, provided that the owner becoming the customer of record actually
27 owns the property at which the account is located, and, if the net metering system arrangement is
28 done through a third-party financing arrangement, then the net metering system can be owned by
29 the third-party company. As long as the net metered accounts meet the requirements set forth in
30 this definition, there is no limit on the number of accounts that may be net metered within the
31 eligible net metering system site.

32 (4) "Excess Renewable Net Metering Credit" means a credit that applies to an eligible net
33 metering system for that portion of the renewable self-generator's production of electricity
34 beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%)

1 of the renewable self-generator's own consumption at the eligible net metering system site during
2 the applicable billing period. Such excess renewable net metering credit shall be equal to the
3 electric distribution company's avoided cost rate, which is hereby declared to be the electric
4 distribution company's standard offer service kilo-watt hour (kWh) charge for the rate class and
5 time-of-use billing period (if applicable) applicable to the distribution customer account(s) at the
6 eligible net metering system site. Where there are accounts at the eligible net metering system site
7 in different rate classes, the electric distribution company may calculate the excess renewable net
8 metering credit based on the average of the standard offer service rates applicable to those on-site
9 accounts. The electric distribution company has the option to use the energy received from such
10 excess generation to serve the standard offer service load. The commission shall have the
11 authority to make determinations as to the applicability of this credit to specific generation
12 facilities to the extent there is any uncertainty or disagreement.

13 (5) "Farm" shall be defined in accordance with § 44-27-2, except that all buildings
14 associated with the farm shall be eligible for net metering credits as long as: (i) The buildings are
15 owned by the same entity operating the farm or persons associated with operating the farm; and
16 (ii) The buildings are on the same farmland as the project on either a tract of land contiguous with
17 or reasonably proximate to such farmland or across a public way from such farmland.

18 (6) "Multi-municipal collaborative" means a group of towns and/or cities that enter into
19 an agreement for the purpose of co-owning a renewable generation facility or entering into a
20 financing arrangement pursuant to subdivision (7).

21 (7) "Public and private entity net metering financing arrangement" means arrangements
22 entered into by a residential, commercial, private, or public institution, public entity or multi-
23 municipal collaborative with a private entity to facilitate the financing and operation of a net
24 metering resource, in which the private entity owns and operates an eligible net metering resource
25 on behalf of a residential, commercial, private, or public institution, public entity or multi-
26 municipal collaborative, where: (i) The eligible net metering resource is located on property
27 owned or controlled by the residential, commercial, private, or public institution, public entity or
28 one of the municipalities, as applicable, and (ii) The production from the eligible net metering
29 resource and primary compensation paid by the residential, commercial, private, or public
30 institution, public entity or multi-municipal collaborative to the private entity for such production
31 is directly tied to the consumption of electricity occurring at the designated net metered accounts.

32 (8) "Net metering" means using electricity generated by an eligible net metering system
33 for the purpose of self-supplying power at the eligible net metering system site and thereby
34 offsetting consumption at the eligible net metering system site through the netting process

1 established in this chapter.

2 (9) "Net metering customer" means a customer of the electric distribution company
3 receiving and being billed for distribution service whose distribution account(s) are being net
4 metered.

5 (10) "Person" means an individual, firm, corporation, association, partnership, farm, town
6 or city of the State of Rhode Island, multi-municipal collaborative, or the State of Rhode Island or
7 any department of the state government, governmental agency or public instrumentality of the
8 state.

9 (11) "Project" means a distinct installation of an eligible net metering system. An
10 installation will be considered distinct if it is installed in a different location, or at a different
11 time, or involves a different type of renewable energy.

12 (12) "Public and private entity" means the state of Rhode Island, municipalities,
13 wastewater treatment facilities, public transit agencies, residential, commercial, private, or public
14 institutions or any water distributing plant or system employed for the distribution of water to the
15 consuming public within this state including the water supply board of the city of Providence.

16 (13) "Renewable Net Metering Credit" means a credit that applies to an Eligible Net
17 Metering System up to one hundred percent (100%) of the renewable self-generator's usage at the
18 Eligible Net Metering System Site over the applicable billing period. This credit shall be equal to
19 the total kilowatt hours of electricity generated and consumed on-site during the billing period
20 multiplied by the sum of the distribution company's:

- 21 (i) Standard offer service kilowatt hour charge for the rate class applicable to the net
22 metering customer;
- 23 (ii) Distribution kilowatt hour charge;
- 24 (iii) Transmission kilowatt hour charge; and
- 25 (iv) Transition kilowatt hour charge.

26 (14) "Renewable self-generator" means an electric distribution service customer who
27 installs or arranges for an installation of renewable generation that is primarily designed to
28 produce electricity for consumption by that same customer at its distribution service account(s).

29 (15) "Third-party company" means a company owning or operating a renewable energy
30 system that is used by a public or private entity to engage in net metering. A third-party company
31 engaged in a third-party financing arrangement with a public or private entity is not a public
32 utility as defined in 39-1-2(20).

33 (16) "Third-party financing arrangement" means a financial arrangement that enables the
34 financing of a renewable energy system through a lease arrangement or power purchase

1 [agreement.](#)

2 ~~(15)~~(17) "Municipality" means any Rhode Island town or city, including any agency or
3 instrumentality thereof, with the powers set forth in title 45 of the general laws.

4 SECTION 3. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
5 Subject to Taxation" is hereby amended to read as follows:

6 **44-3-3. Property exempt.** – (a) The following property is exempt from taxation.

7 (1) Property belonging to the state except as provided in § 44-4-4.1;

8 (2) Lands ceded or belonging to the United States;

9 (3) Bonds and other securities issued and exempted from taxation by the government of
10 the United States or of this state;

11 (4) Real estate, used exclusively for military purposes, owned by chartered or
12 incorporated organizations approved by the adjutant general and composed of members of the
13 national guard, the naval militia, or the independent chartered military organizations;

14 (5) Buildings for free public schools, buildings for religious worship, and the land upon
15 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
16 far as the buildings and land are occupied and used exclusively for religious or educational
17 purposes;

18 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
19 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
20 owned by, or held in trust for, any religious organization and actually used by its officiating
21 clergy; provided, further, that in the town of Charlestown, where the property previously
22 described in this paragraph is exempt in total, along with dwelling houses and the land on which
23 they stand in Charlestown, not exceeding one acre in size, or the minimum lot size for zone in
24 which the dwelling house is located, whichever is the greater, owned by, or held in trust for, any
25 religious organization and actually used by its officiating clergy, or used as a convent, nunnery, or
26 retreat center by its religious order.

27 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
28 organization, if the principal or income is used or appropriated for religious or charitable
29 purposes;

30 (8) Buildings and personal estate owned by any corporation used for a school, academy,
31 or seminary of learning, and of any incorporated public charitable institution, and the land upon
32 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
33 so far as they are used exclusively for educational purposes, but no property or estate whatever is
34 hereafter exempt from taxation in any case where any part of its income or profits, or of the

1 business carried on there, is divided among its owners or stockholders; provided, however, that
2 unless any private nonprofit corporation organized as a college or university located in the town
3 of Smithfield reaches a memorandum of agreement with the town of Smithfield, the town of
4 Smithfield shall bill the actual costs for police, fire, and rescue services supplied, unless
5 otherwise reimbursed, to said corporation commencing March 1, 2014;

6 (9) Estates, persons, and families of the president and professors for the time being of
7 Brown University for not more than ten thousand dollars (\$10,000) for each officer, the officer's
8 estate, person, and family included, but only to the extent that any person had claimed and
9 utilized the exemption prior to, and for a period ending, either on or after December 31, 1996;

10 (10) Property especially exempt by charter unless the exemption has been waived in
11 whole or in part;

12 (11) Lots of land exclusively for burial grounds;

13 (12) Property, real and personal, held for, or by, an incorporated library, society, or any
14 free public library, or any free public library society, so far as the property is held exclusively for
15 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
16 generally, or for a nonprofit hospital for the sick or disabled;

17 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated
18 organizations of veterans of any war in which the United States has been engaged, the parent
19 body of which has been incorporated by act of Congress, to the extent of four hundred thousand
20 dollars (\$400,000) if actually used and occupied by the association; provided, that the city council
21 of the city of Cranston may by ordinance exempt the real or personal estate as previously
22 described in this subdivision located within the city of Cranston to the extent of five hundred
23 thousand dollars (\$500,000);

24 (14) Property, real and personal, held for, or by, the fraternal corporation, association, or
25 body created to build and maintain a building or buildings for its meetings or the meetings of the
26 general assembly of its members, or subordinate bodies of the fraternity, and for the
27 accommodation of other fraternal bodies or associations, the entire net income of which real and
28 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
29 asylums, a home or homes, a school or schools, for the free education or relief of the members of
30 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
31 their wives, widows, or orphans, and any fund given or held for the purpose of public education,
32 almshouses, and the land and buildings used in connection therewith;

33 (15) Real estate and personal property of any incorporated volunteer fire engine company
34 or incorporated volunteer ambulance or rescue corps in active service;

1 (16) The estate of any person who, in the judgment of the assessors, is unable from
2 infirmity or poverty to pay the tax; providing, that in the town of Burrillville the tax shall
3 constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At
4 the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or
5 conveyed, or if debt secured by the property is refinanced during the five (5) year period, the lien
6 immediately becomes due and payable; any person claiming the exemption aggrieved by an
7 adverse decision of an assessor shall appeal the decision to the local board of tax review and
8 thereafter according to the provisions of § 44-5-26;

9 (17) Household furniture and family stores of a housekeeper in the whole, including
10 clothing, bedding, and other white goods, books, and all other tangible personal property items
11 that are common to the normal household;

12 (18) Improvements made to any real property to provide a shelter and fallout protection
13 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided,
14 that the improvements meet applicable standards for shelter construction established from time to
15 time by the Rhode Island emergency management agency. The improvements are deemed to
16 comply with the provisions of any building code or ordinance with respect to the materials or the
17 methods of construction used and any shelter or its establishment is deemed to comply with the
18 provisions of any zoning code or ordinance;

19 (19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

20 (20) *Manufacturer's inventory*

21 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to
22 be a manufacturer within a city or town within this state if that person uses any premises, room,
23 or place in it primarily for the purpose of transforming raw materials into a finished product for
24 trade through any or all of the following operations: adapting, altering, finishing, making, and
25 ornamenting; provided, that public utilities; non-regulated power producers commencing
26 commercial operation by selling electricity at retail or taking title to generating facilities on or
27 after July 1, 1997; building and construction contractors; warehousing operations, including
28 distribution bases or outlets of out-of-state manufacturers; and fabricating processes incidental to
29 warehousing or distribution of raw materials, such as alteration of stock for the convenience of a
30 customer; are excluded from this definition;

31 (ii) For the purposes of §§ 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
32 inventory" or any similar term means and includes the manufacturer's raw materials, the
33 manufacturer's work in process, and finished products manufactured by the manufacturer in this
34 state, and not sold, leased, or traded by the manufacturer or its title or right to possession

1 divested; provided, that the term does not include any finished products held by the manufacturer
2 in any retail store or other similar selling place operated by the manufacturer whether or not the
3 retail establishment is located in the same building in which the manufacturer operates the
4 manufacturing plant;

5 (iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business
6 in this state consists of transforming raw materials into a finished product for trade through any or
7 all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be
8 principally engaged if the gross receipts that person derived from the manufacturing operations in
9 this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to more than
10 fifty percent (50%) of the total gross receipts that person derived from all the business activities
11 in which that person engaged in this state during the taxable year. For the purpose of computing
12 the percentage, gross receipts derived by a manufacturer from the sale, lease, or rental of finished
13 products manufactured by the manufacturer in this state, even though the manufacturer's store or
14 other selling place may be at a different location from the location of the manufacturer's
15 manufacturing plant in this state, are deemed to have been derived from manufacturing;

16 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
17 "manufacturer" also includes persons who are principally engaged in any of the general activities
18 coded and listed as establishments engaged in manufacturing in the Standard Industrial
19 Classification Manual prepared by the Technical Committee on Industrial Classification, Office
20 of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as
21 revised from time to time, but eliminating as manufacturers those persons, who, because of their
22 limited type of manufacturing activities, are classified in the manual as falling within the trade
23 rather than an industrial classification of manufacturers. Among those thus eliminated, and
24 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
25 primarily engaged in selling, to the general public, products produced on the premises from which
26 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
27 custom tailors, except, that a person who manufactures bakery products for sale primarily for
28 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
29 are operated by person, is a manufacturer within the meaning of this paragraph;

30 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
31 corporation; and

32 (vi) The department of revenue shall provide to the local assessors any assistance that is
33 necessary in determining the proper application of the definitions in this subdivision.

34 (21) Real and tangible personal property acquired to provide a treatment facility used

1 primarily to control the pollution or contamination of the waters or the air of the state, as defined
2 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
3 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
4 requirements or standards for the control of water or air pollution or contamination, and certified
5 as approved in an order entered by the director of environmental management. The property is
6 exempt as long as it is operated properly in compliance with the order of approval of the director
7 of environmental management; provided, that any grant of the exemption by the director of
8 environmental management in excess of ten (10) years is approved by the city or town in which
9 the property is situated. This provision applies only to water and air pollution control properties
10 and facilities installed for the treatment of waste waters and air contaminants resulting from
11 industrial processing; furthermore, it applies only to water or air pollution control properties and
12 facilities placed in operation for the first time after April 13, 1970;

13 (22) New manufacturing machinery and equipment acquired or used by a manufacturer
14 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

15 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of
16 raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision
17 (20) of this section, and machinery, fixtures, and equipment used exclusively by a manufacturer
18 for research and development or for quality assurance of its manufactured products;

19 (ii) Machinery and equipment that is partially used in the actual manufacture or
20 conversion of raw materials or goods in process of manufacture by a manufacturer, as defined in
21 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer
22 for research and development or for quality assurance of its manufactured products, to the extent
23 to which the machinery and equipment is used for the manufacturing processes, research and
24 development, or quality assurance. In the instances where machinery and equipment is used in
25 both manufacturing and/or research and development, and/or quality assurance activities and non-
26 manufacturing activities, the assessment on machinery and equipment is prorated by applying the
27 percentage of usage of the equipment for the manufacturing, research and development and
28 quality assurance activity to the value of the machinery and equipment for purposes of taxation,
29 and the portion of the value used for manufacturing, research and development, and quality
30 assurance is exempt from taxation. The burden of demonstrating this percentage usage of
31 machinery and equipment for manufacturing and for research and development, and/or quality
32 assurance of its manufactured products rests with the manufacturer; and

33 (iii) Machinery and equipment described in § 44-18-30(7) and (22) that was purchased
34 after July 1, 1997; provided that the city or town council of the city or town in which the

1 machinery and equipment is located adopts an ordinance exempting the machinery and equipment
2 from taxation. For purposes of this subsection, city councils and town councils of any
3 municipality may, by ordinance, wholly or partially exempt from taxation the machinery and
4 equipment discussed in this subsection for the period of time established in the ordinance and
5 may, by ordinance, establish the procedures for taxpayers to avail themselves of the benefit of
6 any exemption permitted under this section; provided, that the ordinance does not apply to any
7 machinery or equipment of a business, subsidiary, or any affiliated business that locates or
8 relocates from a city or town in this state to another city or town in the state.

9 (23) Precious metal bullion, meaning any elementary metal that has been put through a
10 process of melting or refining, and that is in a state or condition that its value depends upon its
11 content and not its form. The term does not include fabricated precious metal that has been
12 processed or manufactured for some one or more specific and customary industrial, professional,
13 or artistic uses;

14 (24) Hydroelectric power generation equipment, which includes, but is not limited to,
15 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
16 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
17 hydroelectric power generation equipment must have been purchased after July 1, 1979, and
18 acquired or used by a person or corporation who or that owns or leases a dam and utilizes the
19 equipment to generate hydroelectric power;

20 (25) Renewable energy resources, as defined in § 39-26-5 and associated equipment,
21 including but not limited to, modules, panels, blades, towers, DC to AC inverters that
22 interconnect with utility power lines, monitoring equipment, manufactured mounting racks and
23 ballast pans for module or panel installation, collectors, pumps, heat exchangers, and storage
24 facilities, if they are placed in service for the first time after December 31, 2015; have had a final
25 inspection performed by the local inspector for the city or town where the renewable energy
26 resource is located; and participate in net metering as defined in § 39-26.4-2.

27 ~~(25)~~(26) Subject to authorization by formal action of the council of any city or town, any
28 real or personal property owned by, held in trust for, or leased to an organization incorporated
29 under chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable
30 trust" set out in § 18-9-4, as amended, or an organization incorporated under the not for profits
31 statutes of another state or the District of Columbia, the purpose of which is the conserving of
32 open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is
33 used exclusively for the purposes of the organization;

34 ~~(26)~~(27) Tangible personal property, the primary function of which is the recycling,

1 reuse, or recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and
2 (iii)), from or the treatment of "hazardous wastes" as defined in § 23-19.1-4, where the
3 "hazardous wastes" are generated primarily by the same taxpayer and where the personal property
4 is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need
5 not, procure an order from the director of the department of environmental management
6 certifying that the tangible personal property has this function, which order effects a conclusive
7 presumption that the tangible personal property qualifies for the exemption under this
8 subdivision. If any information relating to secret processes or methods of manufacture,
9 production, or treatment is disclosed to the department of environmental management only to
10 procure an order, and is a "trade secret" as defined in § 28-21-10(b), it shall not be open to public
11 inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of title
12 28 or chapter 24.4 of title 23;

13 ~~(27)~~(28) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-
14 4 has been paid;

15 ~~(28)~~(29) Real and personal property of the Providence Performing Arts Center, a non-
16 business corporation as of December 31, 1986;

17 ~~(29)~~(30) Tangible personal property owned by, and used exclusively for the purposes of,
18 any religious organization located in the city of Cranston;

19 ~~(30)~~(31) Real and personal property of the Travelers Aid Society of Rhode Island, a
20 nonprofit corporation, the Union Mall Real Estate Corporation, and any limited partnership or
21 limited liability company that is formed in connection with, or to facilitate the acquisition of, the
22 Providence YMCA Building; and

23 ~~(31)~~(32) Real and personal property of Meeting Street Center or MSC Realty, Inc., both
24 not-for-profit Rhode Island corporations, and any other corporation, limited partnership, or
25 limited liability company that is formed in connection with, or to facilitate the acquisition of, the
26 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
27 Providence, Rhode Island.

28 ~~(32)~~(33) The buildings, personal property, and land upon which the buildings stand,
29 located on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block
30 01, Parcel 001.00, that consists of approximately twenty-one thousand three hundred (21,300)
31 square feet and is located approximately eight hundred sixty feet (860'), more or less, from the
32 shore, and limited exclusively to these said buildings personal estate and land, provided that said
33 property is owned by a qualified 501(c)(3) organization, such as the American Lighthouse
34 Foundation, and is used exclusively for a lighthouse.

1 ~~(33)~~(34) The Stadium Theatre Performing Arts Center building located in Monument
2 Square, Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is
3 owned by the Stadium Theatre Foundation, a Rhode Island nonprofit corporation.

4 ~~(34)~~(35) Real and tangible personal property of St. Mary Academy – Bay View, located
5 in East Providence, Rhode Island.

6 ~~(35)~~(36) Real and personal property of East Bay Community Action Program and its
7 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax exempt
8 corporation under § 501(c)(3) of the United States Internal Revenue Code.

9 ~~(36)~~(37) Real and personal property located within the city of East Providence of the
10 Columbus Club of East Providence, a Rhode Island charitable nonprofit corporation.

11 ~~(37)~~(38) Real and personal property located within the city of East Providence of the
12 Columbus Club of Barrington, a Rhode Island charitable nonprofit corporation.

13 ~~(38)~~(39) Real and personal property located within the city of East Providence of Lodge
14 2337 BPO Elks, a Rhode Island nonprofit corporation.

15 ~~(39)~~(40) Real and personal property located within the city of East Providence of the St.
16 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation.

17 ~~(40)~~(41) Real and personal property located within the city of East Providence of the
18 Trustees of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode
19 Island nonprofit corporation.

20 ~~(41)~~(42) Real and personal property located on the first floor of 90 Leonard Avenue
21 within the city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit
22 corporation.

23 ~~(42)~~(43) Real and personal property located within the city of East Providence of the
24 Cape Verdean Museum Exhibit, a Rhode Island nonprofit corporation.

25 ~~(43)~~(44) The real and personal property owned by a qualified 501(c)(3) organization that
26 is affiliated and in good standing with a national, congressionally chartered organization and
27 thereby adheres to that organization's standards and provides activities designed for recreational,
28 educational, and character building purposes for children from ages six (6) years to seventeen
29 (17) years.

30 ~~(44)~~(45) Real and personal property of the Rhode Island Philharmonic Orchestra and
31 Music School; provided, that the organization is qualified as a tax exempt corporation under §
32 501(c)(3) of the United States Internal Revenue Code.

33 ~~(45)~~(46) The real and personal property located within the town of West Warwick at 211
34 Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven

1 hundred and fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of
2 East Greenwich, a Rhode Island nonprofit corporation.

3 ~~(46)~~(47) Real and personal property of the Comprehensive Community Action Program,
4 a qualified tax exempt corporation under § 501(c)(3) of the United States Internal Revenue Code.

5 ~~(47)~~(48) Real and personal property located at 52 Plain Street, within the city of
6 Pawtucket of the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation.

7 (b) Except as provided below, when a city or town taxes a for-profit hospital facility, the
8 value of its real property shall be the value determined by the most recent full revaluation or
9 statistical property update performed by the city or town; provided, however, in the year a
10 nonprofit hospital facility converts to or otherwise becomes a for-profit hospital facility, or a for-
11 profit hospital facility is initially established, the value of the real property and personal property
12 of the for-profit hospital facility shall be determined by a valuation performed by the assessor for
13 the purpose of determining an initial assessed value of real and personal property, not previously
14 taxed by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to
15 a right of appeal by the for-profit hospital facility which shall be made to the city or town tax
16 assessor with a direct appeal from an adverse decision to the Rhode Island superior court business
17 calendar.

18 A "for-profit hospital facility" includes all real and personal property affiliated with any
19 hospital as identified in an application filed pursuant to chapters 23-17 and/or 23-17.14.
20 Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-
21 profit hospital facility under § 44-3-9 or other laws specific to the particular city or town relating
22 to stabilization agreements. In a year in which a nonprofit hospital facility converts to, or
23 otherwise becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise
24 established, in that year only the amount levied by the city or town and/or the amount payable
25 under the stabilization agreement for that year related to the for-profit hospital facility shall not be
26 counted towards determining the maximum tax levy permitted under § 44-5-2.

27 SECTION 4. Chapter 44-3 of the General Laws entitled "Property Subject to Taxation" is
28 hereby amended by adding thereto the following section:

29 **44-3-21.1. Renewable energy resources – Taxation. The city or town councils of the**
30 **various cities and towns may, by ordinance, after consultation with the office of energy resources**
31 **and the division of taxation, tax any renewable energy resources and associated equipment that**
32 **are exempt pursuant to 44-3-3(a)(25), unless such property would be exempt from taxation**
33 **pursuant to another provision of § 44-3-3(a).**

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

1 **ARTICLE 19**

2 RELATING TO DIVISION OF MOTOR VEHICLES

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

5 **31-3-33 Renewal of registration.** – (a) Application for renewal of a vehicle registration
6 shall be made by the owner on a proper application form and by payment of the registration fee
7 for the vehicle as provided by law.

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

11 (c) Upon renewal, owners will be issued a renewal sticker for each registration plate
12 which shall be placed at the bottom right hand corner of the plate. Owners shall be issued a new
13 fully reflective plate beginning ~~July 1, 2016~~ [April 1, 2017](#) at the time of initial registration or at
14 the renewal of an existing registration and reissuance will be conducted no less than every ten
15 (10) years.

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

17 **ARTICLE 20**

18 RELATING TO LOCAL AGRICULTURE AND SEAFOOD ACT

19 SECTION 1. Section 46-23-1 of the General Laws in Chapter 46-23 entitled "Coastal
20 Resources Management Council" is hereby amended to read as follows:

21 **46-23-1. Legislative findings.** -- (a)(1) Under article 1, § 17 of the Rhode Island
22 Constitution, the people shall continue to enjoy and freely exercise all the rights of fishery, and
23 the privileges of the shore, to which they have been heretofore entitled under the charter and
24 usages of this state, including, but not limited to, fishing from the shore, the gathering of
25 seaweed, leaving the shore to swim in the sea and passage along the shore; and they shall be
26 secure in their rights to use and enjoyment of the natural resources of the state with due regard for
27 the preservation of their values; and it is the duty of the general assembly to provide for the
28 conservation of the air, land, water, plant, animal, mineral and other natural resources of the state,
29 and to adopt all means necessary and proper by law to protect the natural environment of the
30 people of the state by providing adequate resource planning for the control and regulation of the
31 use of the natural resources of the state and for the preservation, regeneration, and restoration of
32 the natural environment of the state.

33 (2) The general assembly recognizes and declares that the coastal resources of Rhode
34 Island, a rich variety of natural, commercial, industrial, recreational, and aesthetic assets, are of

1 immediate and potential value to the present and future development of this state; that unplanned
2 or poorly planned development of this basic natural environment has already damaged or
3 destroyed, or has the potential of damaging or destroying, the state's coastal resources, and has
4 restricted the most efficient and beneficial utilization of these resources; that it shall be the policy
5 of this state to preserve, protect, develop, and, where possible, restore the coastal resources of the
6 state for this and succeeding generations through comprehensive and coordinated long range
7 planning and management designed to produce the maximum benefit for society from these
8 coastal resources; and that preservation and restoration of ecological systems shall be the primary
9 guiding principle upon which environmental alteration of coastal resources will be measured,
10 judged, and regulated.

11 (b)(1) That effective implementation of these policies is essential to the social and
12 economic well-being of the people of Rhode Island because the sea and its adjacent lands are
13 major sources of food and public recreation, because these resources are used by and for industry,
14 transportation, waste disposal, and other purposes, and because the demands made on these
15 resources are increasing in number, magnitude, and complexity; and that these policies are
16 necessary to protect the public health, safety, and general welfare. Pursuant to 16 U.S.C. § 1452
17 ("The Coastal Zone Management Act"), the general assembly hereby directs the council (referred
18 to as "CRMC") to exercise effectively its responsibilities in the coastal zone through the
19 development and implementation of management programs to achieve wise use of the land and
20 water resources of the coastal zone.

21 (2) Furthermore, that implementation of these policies is necessary in order to secure the
22 rights of the people of Rhode Island to the use and enjoyment of the natural resources of the state
23 with due regard for the preservation of their values, and in order to allow the general assembly to
24 fulfill its duty to provide for the conservation of the air, land, water, plant, animal, mineral, and
25 other natural resources of the state, and to adopt all means necessary and proper by law to protect
26 the natural environment of the people of the state by providing adequate resource planning for the
27 control and regulation of the use of the natural resources of the state and for the preservation,
28 regeneration, and restoration of the natural environment of the state.

29 (c) That these policies can best be achieved through the creation of a coastal resources
30 management council as the principal mechanism for management of the state's coastal resources.

31 (d) The general assembly recognizes and declares that maintenance dredging is required
32 to remove natural silt accumulations; Rhode Island has not had a general maintenance dredging
33 policy and programs for ports, port facilities, channels, harbors, public and private marinas and
34 boating facilities, recreational facilities and habitat areas; other major coastal states have

1 maintenance dredging policies and in-water maintenance dredge disposal sites; as a result of the
2 lack of a general maintenance dredging policy and program and as a result there has been:

3 (1) A decrease in the depth of the Providence Channel from forty-four (44) feet in 1971
4 to twenty-four (24) feet in 1996;

5 (2) Navigational restrictions on ocean going vessels through the state's waterways and
6 channels; and

7 (3) A decrease in the number of available slips and moorings at marinas throughout the
8 state; and the lack of a maintenance dredging policy and programs have significant adverse
9 environmental and economic effects on the state and therefore it is in the best interest of the state,
10 the cities and towns of the state, and the citizens thereof for the state to have a general
11 maintenance dredging policy and programs to resolve issues related to dredge maintenance and
12 disposal and avoid future significant direct and indirect adverse impact on the environment and
13 economy of the state.

14 (e) The coastal resources management council is hereby designated as the lead state
15 agency for purposes of dredging in tidal waters and as such shall have the following duties and
16 responsibilities:

17 (1) To coordinate the interest of the state with regard to dredging;

18 (2) To formulate and adopt a state policy with regard to dredging which integrates those
19 interests;

20 (3) To cooperate with, negotiate, and to enter into agreements on behalf of the state with
21 the federal government and with other public bodies and private parties with regard to dredging;

22 (4) To act as the initial and primary point of contact for all applications to the state for
23 dredging projects in tidal waters;

24 (5) To develop, prepare, adopt pursuant to § 46-23-11, implement, and maintain a
25 comprehensive plan for dredge material management; and

26 (6) To cooperate and coordinate with the departments of environmental management,
27 transportation, administration, and health, and the ~~economic-development~~ [Rhode Island](#)
28 [commerce](#) corporation in the conduct of these duties and responsibilities.

29 (f)(1) The legislature recognizes that under Article I, § 17, the submerged lands of the
30 state are impressed with a public trust and that the state is responsible for the protection of the
31 public's interest in these lands. The state maintains title in fee to all soil within its boundaries that
32 lies below the high water mark, and it holds that land in trust for the use of the public. In
33 benefiting the public, the state preserves certain public rights which include, but are not limited
34 to, fishery, commerce, and navigation in these waters and the submerged lands that they cover.

1 (2) Since its establishment in 1971, the CRMC has had the authority to manage and plan
2 for the preservation of the coastal resources of the state including, but not limited to, submerged
3 lands. The legislature hereby declares that, in light of the unique size, scope, and overall potential
4 impact upon the environment of large scale filling projects involving twenty-five (25) acres or
5 more, any lease of tidal lands, or any license to use those lands, is subject to approval,
6 disapproval, or conditional approval by the direct enactment of the general assembly by
7 legislative action. The CRMC shall review all requests for leases, licenses to use the land, and
8 other authority to use the land made by any applicant prior to presentation of the request to the
9 general assembly, and the CRMC shall make recommendations on the request to the general
10 assembly. With the exception of any and all projects to fill land of twenty-five (25) acres or more,
11 the general assembly hereby recognizes and declares that the CRMC is delegated the sole and
12 exclusive authority for the leasing of submerged and filled lands and giving licenses for the use of
13 that land. Accordingly, the CRMC will develop, coordinate, and adopt a system for the leasing of
14 submerged and filled lands, and licenses for the use of that land, and will ensure that all leases
15 and licenses are consistent with the public trust. Pursuant thereto, the CRMC shall impose a
16 maximum fee of eighty thousand dollars (\$80,000) per annum for any transatlantic cable that
17 makes landfall in Rhode Island. All such fees collected shall be deposited into the Bays, Rivers
18 and Watersheds Fund, established pursuant to § 46-31-12.1, and shall be disbursed according to
19 the purposes of that fund. All fees collected for the lease of submerged tidal lands for any
20 renewable energy project with a project cost exceeding five million dollars (\$5,000,000) shall be
21 deposited into the Rhode Island local agriculture and seafood small grants and technical
22 assistance fund established pursuant to § 2-25-6, and shall be disbursed according to the purposes
23 of that fund. Nothing contained in this subsection negates, repeals, or alters the provisions,
24 processes, and requirements for the leasing of submerged land for the conduct of aquaculture as
25 set out under chapter 10 of title 20. Therefore, nothing in this chapter shall be construed to limit
26 or impair the authority of the state, or any duly established agency of the state, to regulate filling
27 or dredging affecting tidal lands owned by the state or any other entity, and nothing in this
28 chapter shall be construed to limit or impair the obligation of the applicant to obtain all applicable
29 regulatory approvals. Specifically, and without limiting the foregoing, nothing in this subsection
30 negates, repeals, or alters the provisions, processes, and requirements for water quality
31 certification contained in chapter 12 of this title.

32 (3) Definitions.

33 (i) "Filled land" means portions of tidal lands which have been rendered by the acts of
34 man to be no longer subject to tidal action or beneath tidal waters.

1 (ii) "Tidal Lands" means those lands that are below the mean high water.

2 (iii) "Mean high water" means a line of contour representing the 18.6 year average as
3 determined by the metonic cycle and/or its equivalent as evidenced by the records, tidal datum,
4 and methodology of the United States Coastal Geodetic Survey within the National Oceanic and
5 Atmospheric Administration.

6 SECTION 2. Sections 2-25-2, 2-25-3, 2-25-5, 2-25-6 and 2-25-7 of the General Laws in
7 Chapter 2-25 entitled "The Rhode Island Local Agriculture and Seafood Act" are hereby
8 amended to read as follows:

9 **2-25-2. Legislative findings.** -- The general assembly hereby finds and declares:

10 (1) A viable agricultural and seafood sector in Rhode Island represents part of a secure
11 regional food supply, which in turn lends itself to energy and economic efficiencies;

12 (2) The federal government and regional entities have established and continue to
13 establish programs and processes to support local agricultural production and increased
14 consumption of locally produced food, and Rhode Island functions in whole or in part in the
15 context of federal and regional programs;

16 (3) The general public is increasingly interested in locally produced food;

17 (4) The benefits of local food systems to local communities include open land, jobs,
18 nutritious and safe foods, and youth education opportunities;

19 (5) Farms and commercial fishing are an integral part of Rhode Island's overall economy;

20 (6) Encouraging the continued growth of Rhode Island's agricultural and seafood sectors
21 is integral to reducing food insecurity in Rhode Island;

22 (7) Relationship-based food systems such as farm-to-school programs, community
23 supported agriculture (CSA) programs, farmers' markets, and pick-your-own operations are
24 increasingly popular and offer areas of opportunity for new farmers; ~~and~~

25 (8) The state of Rhode Island has historically established programs to provide for and
26 regulate the agriculture and commercial fishing sectors

27 (9) Expanding and strengthening the local food system supports a diverse range of
28 economic activities and benefits that extend well beyond fisheries and agricultural industries and
29 includes new businesses and job growth, increased property values, generation of new revenues
30 and stronger Rhode Island communities; and

31 (10) The increasing volume, complexity and burden of fisheries management policies and
32 regulations threatens the viability of the Rhode Island fishing industry and serves as a barrier to
33 growth of this important sector of the state's economy.

34 **2-25-3. Legislative intent.** -- The general assembly intends:

1 (1) To support and develop more robust and self-sustaining agricultural and seafood
2 sectors that also promotes emerging agricultural industries;

3 (2) That policies and programs of the state will support and promote the Rhode Island
4 agriculture and seafood industries as a vital component of the state's economy and essential
5 steward of our land and coastal waters;

6 (3) That current policies and programs pertaining to the viability of Rhode Island's
7 agricultural and seafood industries be reviewed and confirmed or changed in order to assure the
8 long-term economic prosperity of the industries; ~~and~~

9 (4) That Rhode Island will promote processing and consumption of agricultural and
10 seafood products from within Rhode Island; and

11 (5) That Rhode Island's fishing industry has the resources to participate in matters
12 concerning fisheries management regulations and policies.

13 **2-25-5. Small grants and technical assistance program established.** -- The department
14 of environmental management shall establish the local agriculture and seafood small grants and
15 technical assistance program. Through the program the department shall:

16 (1) Assist in the marketing of Rhode Island grown agricultural products and local seafood
17 for the purpose of sale and promotion within the state of Rhode Island or United States;

18 (2) Enhance the economic competitiveness of Rhode Island grown agricultural products
19 and local seafood;

20 (3) Provide financial and technical assistance support to organizations and farmers for
21 activities and programs which enhance the economic viability of local agriculture, and support the
22 development of a locally based, safe and sustainable food system;

23 (4) Provide individual farm grants to small or beginning Rhode Island farmers that
24 support the entry or sustainability within the respective industry;

25 (5) Provide grant funding up to fifty thousand dollars (\$50,000) to allow the fishing
26 community to fully participate in the development of fisheries management policies and
27 regulations;

28 ~~(5)~~(6) Work with the state department of health to further develop and support food
29 safety related programs and standards pertaining to local agriculture and seafood; and

30 ~~(6)~~(7) Perform other activities necessary to facilitate the success and viability of the
31 state's agricultural and seafood sectors.

32 **2-25-6. Local agriculture and seafood small grants and technical assistance fund**
33 **established and solicitation of funding.** -- (a) For the purpose of paying the costs to the
34 department of environmental management of administering the local agriculture and seafood

1 small grants and technical assistance program and for the purpose of carrying out the purposes of
2 the program as stated in subdivisions 2-25-5(3) ~~and~~ 2-25-5(4) and 2-25-5(5) a restricted receipt
3 account is hereby created and known as the "local agriculture and seafood small grants and
4 technical assistance fund."

5 (b) The program shall be empowered to apply for and receive from any federal, state, or
6 local agency, private foundation, or individual, any grants, appropriations, or gifts in order to
7 carry out the purposes of the program established in § 2-25-5.

8 **2-25-7. Use of funds.** -- (a) A non-profit entity or small or beginning farmer may apply to
9 the department of environmental management for a grant to be used to fulfill the purposes of the
10 program as stated in subdivisions 2-25-5(3) and 2-25-5(4). Any grant disbursed under this
11 program shall not exceed twenty thousand dollars (\$20,000) per year. Applications for grants
12 authorized under this section shall:

13 (1) Provide a brief summary of the nonprofit entity or small or beginning farmer's
14 mission, goals, history, programs, and major accomplishments, success stories and qualifications;

15 (2) Briefly describe the proposed project or program, the capacity to carry out the
16 program and who will benefit from the program;

17 (3) Describe the expected outcomes and the indicators of those outcomes;

18 (4) Outline the timeline to be used in the implementation of the program or project; and

19 (5) Provide a program or project budget.

20 (b) A nonprofit entity or person may apply to the department for a grant to be used to
21 fulfill the purposes of the program as stated in § 2-25-5(5). Applications for grants authorized
22 under this section shall conform to specifications as determined by the department of
23 environmental management. Any funds not disbursed under § 2-25-5(5) shall be disbursed for the
24 purposes of the program as stated in §§ 2-25-5(3) and 2-25-5(4).

25 ~~(b)~~(c) The funds shall also be used by the department to provide administrative and
26 technical support of the program, and to leverage program funds with other potential federal, state
27 or nonprofit funding sources, and shall serve to develop, implement and enforce when appropriate
28 food safety related standards and programs related to local agriculture and seafood in
29 coordination with the Rhode Island department of health and appropriate federal agencies.

30 SECTION 3. This article shall take effect as of July 1, 2016.

31 **ARTICLE 21**

32 **RELATING TO BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES AND**

33 **HOSPITALS**

34 SECTION 1. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled

1 “Department of Behavioral Healthcare, Developmental Disabilities and Hospitals” is hereby
2 amended to read as follows:

3 **40.1-1-13. Powers and duties of the office.** Notwithstanding any provision of the
4 Rhode Island general laws to the contrary, the department ~~of mental health, retardation,~~
5 behavioral healthcare, developmental disabilities and hospitals shall have the following powers
6 and duties:

7 (1) To establish and promulgate the overall plans, policies, objectives, and priorities for
8 state substance abuse education, prevention and treatment; provided, however, that the director
9 shall obtain and consider input from all interested state departments and agencies prior to the
10 promulgation of any such plans or policies;

11 (2) Evaluate and monitor all state grants and contracts to local substance abuse service
12 providers;

13 (3) Develop, provide for, and coordinate the implementation of a comprehensive state
14 plan for substance abuse education, prevention and treatment;

15 (4) Ensure the collection, analysis, and dissemination of information for planning and
16 evaluation of substance abuse services;

17 (5) Provide support, guidance, and technical assistance to individuals, local governments,
18 community service providers, public and private organizations in their substance abuse education,
19 prevention and treatment activities;

20 (6) Confer with all interested department directors to coordinate the administration of
21 state programs and policies that directly affect substance abuse treatment and prevention;

22 (7) Seek and receive funds from the federal government and private sources in order to
23 further the purposes of this chapter;

24 (8) ~~Act~~ To act for all purposes in the capacity of “state substance abuse authority” as ~~that~~
25 ~~term has meaning~~ the sole designated agency with the sole responsibility for ~~coordination~~
26 planning, coordinating, managing, implementing and reporting on of state substance abuse
27 planning ~~and~~ , policy and efforts as it relates to requirements set forth in pertinent federal
28 substance abuse laws and regulations;

29 (9) Propose, review and/or approve, as appropriate, proposals, policies or plans involving
30 insurance and managed care systems for substance abuse services in Rhode Island;

31 (10) To enter into, in compliance with the provisions of title 37, chapter 2, contractual
32 relationships and memoranda of agreement as necessary for the purposes of this chapter;

33 (11) To license facilities and programs for the care and treatment of substance abusers,
34 and for the prevention of substance abuse;

1 (12) To promulgate rules and regulations necessary to carry out the requirements of this
2 chapter;

3 (13) Perform other acts and exercise any other powers necessary or convenient to carry
4 out the intent and purposes of this chapter; and

5 (14) To exercise the authority and responsibilities relating to education, prevention and
6 treatment of substance abuse, as contained in, but not limited to, the following chapters: chapter
7 1.10 of title 23; chapter 10.1 of title 23; chapter 28.2 of title 23; chapter 21.2 of title 16; chapter
8 21.3 of title 16; chapter 50.1 of title 42; chapter 109 of title 42; chapter 69 of title 5 and § 35-4-
9 18.

10 (15) To establish a Medicare Part D restricted receipt account in the hospitals and
11 community rehabilitation services program to receive and expend Medicare Part D
12 reimbursements from pharmacy benefit providers consistent with the purposes of this chapter.

13 (16) To establish a RICLAS group home operations restricted receipt account in the
14 services for the developmentally disabled program to receive and expend rental income from
15 RICLAS group clients for group home-related expenditures, including food, utilities, community
16 activities, and the maintenance of group homes.

17 (17) To establish a non-Medicaid third-party payor restricted receipt account in the
18 hospitals and community rehabilitation services program to receive and expend reimbursement
19 from non-Medicaid third-party payors to fund hospital patient services that are not Medicaid
20 eligible.

21 (18) To act in conjunction with the executive office of health and human services as the
22 states co-designated agency for administering federal aid and for the purpose of the calculation of
23 expenditures relative to the substance abuse block grant and federal funding maintenance of effort
24 requirements.

25 SECTION 2. Section 42-7.2-2 of the General Laws in Chapter 42-7.2 entitled “Executive
26 Office of Health and Human Services” is hereby amended to read as follows:

27 **42-7.2-2. Executive office of health and human services.** There is hereby established
28 within the executive branch of state government an executive office of health and human services
29 to serve as the principal agency of the executive branch of state government for managing the
30 departments of children, youth and families, health, human services, and behavioral healthcare,
31 developmental disabilities and hospitals. In this capacity, the office shall:

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

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

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

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

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

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

10 (6) Administer Rhode Island Medicaid in the capacity of the single state agency
11 authorized under title XIX of the U.S. Social Security act, 42 U.S.C. § 1396a et seq., and exercise
12 such single state agency authority for such other federal and state programs as may be designated
13 by the governor. Except as provided for herein, nothing in this chapter shall be construed as
14 transferring to the secretary the powers, duties or functions conferred upon the departments by
15 Rhode Island general laws for the management and operations of programs or services approved
16 for federal financial participation under the authority of the Medicaid state agency.

17 [\(7\) To act in conjunction with the department of behavioral healthcare, developmental](#)
18 [disabilities and hospitals as the states co-designated agency for administering federal aid and for](#)
19 [the purpose of the calculation of expenditures relative to the substance abuse block grant and](#)
20 [federal funding maintenance of effort requirements.](#)

21 SECTION 3. This article shall take effect upon passage.

22 **ARTICLE 22**

23 RELATING TO STATE BUDGET

24 SECTION 1. Section 35-16-2 of the General Laws in Chapter 35-17 entitled “Revenue
25 Estimating Conferences” is hereby amended to read as follows:

26 **35-16-2. Meetings.** –(a) The principals of the R.E.C. shall meet within the first ten (10)
27 days of May and ~~November~~ [within the last ten \(10\) days of January](#) of each year.

28 (b) The primary purpose of regularly scheduled conferences is to prepare [and reconcile](#)
29 economic forecasts and forecast revenue estimates and review current revenue collections under
30 current tax law. The conference principals can agree, however, to address special legislation or
31 special topics.

32 (c) Prior to each R.E.C., the principals will determine the documentation and information
33 necessary to support that conference.

34 (d) No votes will be taken in the revenue estimating conferences. These are truly

1 consensus conferences and all principals must agree and are bound to the conference
2 recommendations.

3 SECTION 2. Chapter 35-17 of the General Laws entitled “Medical Assistance and Public
4 Assistance Caseload Estimating Conferences” is hereby renamed “Medical Assistance Caseload
5 Estimating Conferences”.

6 SECTION 3. Sections 35-17-1 and 35-17-2 of the General Laws in Chapter 35-17
7 entitled “Medical Assistance and Public Assistance Caseload Estimating Conferences” are hereby
8 amended to read as follows:

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

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

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

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

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

1 ~~recoveries collected each month and number of estates attached to the collections and each~~
2 ~~month, the number of open cases and the number of cases that have been open longer than three~~
3 ~~months.~~ the anticipated recoveries from the estate and the total recoveries collected each month.

4 **35-17-2. Meetings.** – (a) The principles of the C.E.C. shall meet within the first ten (10)
5 days of May and ~~November~~ within the last ten (10) days of January of each year.

6 (b) The primary purpose of regularly scheduled conferences is to forecast medical
7 assistance ~~and public assistance~~ caseloads and associated expenditures for the medical assistance
8 program administered by the executive office of health and human services, financing for which
9 is appropriated within the budget of the executive of health and human services. The conference
10 principals can agree, however, to address special legislation or special topics.

11 (c) Prior to each caseload estimating conference, the principals will determine the
12 documentation and information necessary to support that conference.

13 (d) No votes will be taken in the caseload estimating conferences. These are truly
14 consensus conferences and all principals must agree and are bound to the conference
15 recommendations.

16 (e) In the interim period between departmental testimony and the day designated for the
17 adoption of consensus estimates, the principals and /or representatives of the state budget office,
18 the house fiscal advisory staff, and the senate fiscal advisory staff may meet with officials of the
19 executive office of health and human services to further review material presented at testimony,
20 propose modifications to estimates contained therein, and ultimately to reach provisional
21 consensus estimates. These estimates will be presented at the caseload estimating conference and
22 will become the officially adopted estimates provided they are unanimously ratified by the
23 principals of the C.E.C. The executive office of health and human services will be granted the
24 opportunity to rebut these estimates in the event of disagreement, and the principals will take
25 these objections into account prior to adopting final estimates.

26 SECTION 4. Section 35-17-4 of the General Laws in Chapter 35-17 entitled “Medical
27 Assistance and Public Assistance Caseload Estimating Conferences” is hereby repealed.

28 **35-17-4. Impact meetings.** – ~~(a) The caseload estimating conference principals, along~~
29 ~~with the appropriate participants, will meet from time to time to compare current caseload data~~
30 ~~with the most recent financial projections as required by § 35-3-1(6). Any principal can call an~~
31 ~~impact meeting at any time.~~

32 ~~(b) Following each legislative session, the principals, along with the appropriate~~
33 ~~participants, shall meet and review all changes in legislation affecting caseloads and shall amend~~
34 ~~the official recommendations of the caseload estimating conference accordingly.~~

1 SECTION 5. Section 35-3-7 of the General Laws in Chapter 35-3 entitled "State Budget"
2 is hereby amended to read as follows:

3 **35-3-7. Submission of budget to general assembly – Contents.** – (a) On or before the
4 ~~third~~ second Thursday in ~~January~~ February in each year of each January session of the general
5 assembly, the governor shall submit to the general assembly a budget containing a complete plan
6 of estimated revenues and proposed expenditures, with a personnel supplement detailing the
7 number and titles of positions of each agency and the estimates of personnel costs for the next
8 fiscal year, and with the inventory required by § 35-1.1-3(b)(4). Provided, however, in those
9 years that a new governor is inaugurated, the new governor shall submit the budget on or before
10 the ~~first~~ second Thursday in ~~March~~ February. In the budget the governor may set forth in
11 summary and detail:

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

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

21 (3) Financial statements of the:

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

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

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

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

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

30 (6) Such other financial statements and data as in the governor's opinion are necessary or
31 desirable.

32 (b) Any other provision of the general laws to the contrary notwithstanding, the proposed
33 appropriations submitted by the governor to the general assembly for the next ensuing fiscal year
34 should not be more than five and one-half percent (5.5%) in excess of total state appropriations,

1 excluding any estimated supplemental appropriations, enacted by the general assembly for the
2 fiscal year previous to that for which the proposed appropriations are being submitted; provided
3 that the increased state-share provisions required to achieve fifty percent (50%) state financing of
4 local school operations as provided for in P.L. 1985, ch. 182, shall be excluded from the
5 definition of total appropriations.

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

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

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

15 ~~(f) Notwithstanding the provisions of § 35-3-7(a), the governor shall submit to the~~
16 ~~general assembly a budget for the fiscal year ending June 30, 2012, not later than Thursday,~~
17 ~~March 10, 2011.~~

18 ~~(g) Notwithstanding the provisions of § 35-3-7(a), the governor shall submit to the~~
19 ~~general assembly a budget for the fiscal year ending June 30, 2013, not later than Tuesday,~~
20 ~~January 31, 2012.~~

21 ~~(h) Notwithstanding the provisions of § 35-3-7(a), the governor shall submit to the~~
22 ~~general assembly a budget for the fiscal year ending June 30, 2016, not later than Thursday,~~
23 ~~March 12, 2015.~~

24 SECTION 6. This article shall take effect upon passage.

25 ARTICLE 23

26 RELATING TO SAFE HARBOR FOR SEXUALLY EXPLOITED CHILDREN

27 SECTION 1. Section 12-25-20 of the General Laws in Chapter 12-25 entitled "Criminal
28 Injuries Compensation" is hereby amended to read as follows:

29 **12-25-20. Offenses to which chapter applies.** – The office may award compensation in
30 accordance with the provisions of this chapter for personal injury or death which resulted from
31 offenses in the following categories:

- 32 (1) Assault with intent to commit murder, robbery, or rape;
- 33 (2) Assault with a dangerous weapon;
- 34 (3) Assault and battery;

- 1 (4) Mayhem;
- 2 (5) Indecent assault and battery on a child under thirteen (13) years of age;
- 3 (6) Arson or statutory burning;
- 4 (7) Kidnapping;
- 5 (8) Robbery or larceny from that person;
- 6 (9) Murder;
- 7 (10) Manslaughter;
- 8 (11) First or second degree sexual assault;
- 9 (12) Child molestation, first or second degree;
- 10 (13) The abominable and detestable crime against nature or assault with intent to commit
- 11 the abominable and detestable crime against nature;
- 12 (14) Driving under the influence of alcohol or drugs;
- 13 (15) Refusal by a driver to submit to a chemical test for alcohol or drugs in the immediate
- 14 aftermath of a collision;
- 15 (16) Driving so as to endanger, resulting in death, pursuant to § 31-27-1;
- 16 (17) Driving so as to endanger, resulting in personal injury, pursuant to § 31-27-1.1;
- 17 (18) Any other crime excluding motor vehicle offenses other than those enumerated in
- 18 this section which results in personal injury or death; ~~and~~
- 19 (19) Failure to stop by a driver in circumstances which result in the death of any person,
- 20 pursuant to § 31-26-1-~~r~~; ~~and~~
- 21 (20) Sex trafficking of a minor pursuant to § 11-67-6.

22 SECTION 2. TITLE 14 of the General Laws entitled “Delinquent and Dependent
23 Children” is hereby amended by adding thereto the following chapter:

24 CHAPTER 14-1.1
25 THE RHODE ISLAND SAFE HARBOR FOR
26 SEXUALLY EXPLOITED CHILDREN ACT

27 **14-1.1-1. Short Title.** - This act shall be known and may be designated as “The Rhode
28 Island Safe Harbor for Sexually Exploited Children Act”.

29 **14-1.1-2. Purposes.** - This act shall be construed so as to effectuate the following
30 purposes:

- 31 (a) To ensure that minors who are victims of sex trafficking are treated as victims and not
- 32 criminals by providing for immunity to the child victim from prosecution for prostitution and
- 33 redirecting the child victim of sexual exploitation and sex trafficking away from the criminal or
- 34 juvenile justice systems and to refer the child victim to supportive services and programs;

1 (b) To preserve the unity of the family whenever possible and to provide for the care,
2 protection, and treatment of minors coming within the provisions of this act; and

3 (c) To provide child victims of sex trafficking and sexual exploitation access to the
4 criminal injuries compensation fund;

5 **14-1.1-2. Definitions.** – The following words and phrases when used in this chapter shall,
6 unless the context otherwise requires, be construed as follows:

7 (a) “Commercial sex act” means any sex act or sexually explicit performance on account
8 of which anything of value is given, promised to, or received, directly or indirectly, by any
9 person.

10 (b) "Child or minor" means a person under the age of eighteen (18):

11 (c) “Child or minor victim of sex trafficking or sexual exploitation” means a minor as
12 defined in this chapter who has been recruited, employed, enticed, solicited, isolated, harbored,
13 transported, provided, persuaded, obtained or maintained for the purposes of performing
14 commercial sex acts;

15 (d) “Child or minor victim of severe forms of trafficking” means a minor as defined in
16 this chapter who is induced by force, fraud or coercion to perform a commercial sex act;

17 (e) “Criminal injuries compensation fund” means the financial compensation fund for
18 victims of violent crime enumerated in Chapter 25 of Title 12 of the Rhode Island General laws
19 and administered by the Department of the General Treasurer;

20 (f) "Sex act" means sexual intercourse, cunnilingus, fellatio, anal intercourse, and digital
21 intrusion or intrusion by any object into the genital opening or anal opening of another person's
22 body or the stimulation by hand of another's genitals for the purposes of arousing or gratifying the
23 sexual desire of either person.

24 (g) "Sexually-explicit performance" means an act or show, intended to arouse, satisfy the
25 sexual desires of, or appeal to the prurient interests of patrons or viewers, whether public or
26 private, live, photographed, recorded, or videotaped.

27 **14-1.1-3. Immunity from Prosecution for Prostitution.** – The following provisions
28 shall apply to minors determined to be victims of sex trafficking or sexual exploitation:

29 (a) Child victims of sexual trafficking or sexual exploitation who are under the age of
30 sixteen (16) years shall not be charged with nor adjudicated for the crime of prostitution as
31 enumerated in §11-34.1-2 or for the crime of loitering for prostitution as enumerated in §11-34.1-
32 3;

33 (b) A person sixteen (16) years of age or older may be charged and adjudicated for the
34 crime of prostitution as enumerated in §11-34.1-2 or for the crime of loitering for prostitution as

1 enumerated in §11-34.1-3 when such a person directly engages or agrees to engage in sexual
2 conduct with another person for a fee and no third party benefits from that fee. However, in any
3 prosecution for an offense under this section:

4 (1) it shall be an affirmative defense that the person was coerced into committing such
5 offense by another person; and

6 (2) a minor child who is sixteen (16) or seventeen (17) years of age, there shall be a
7 presumption that the minor was coerced into committing such offense by another person.

8 **14-1.1-4. Risk assessment and uniform response protocols.** – When a child is alleged
9 to be a victim of sex trafficking or sexual exploitation, the department of children youth and
10 families or the law enforcement agency initially responding shall conduct a screening and risk
11 assessment to determine if the child should be considered to be a victim of sex trafficking or
12 sexual exploitation. Additionally, the responding agency(ies) shall use a uniform set of protocols
13 for responding to alleged incidents of child sex trafficking or sexual exploitation.

14 (a) The department of children, youth and families, in collaboration with the office of the
15 attorney general, and the department of public safety shall identify a screening/risk assessment
16 tool(s) to be used for this purpose;

17 (b) The department of children, youth and families, in collaboration with the office of the
18 attorney general and the department of public safety shall develop uniform response protocols for
19 addressing sex trafficking and sexual exploitation of minors to be used by the department of
20 children, youth and families and other agency(ies) when responding to such incidents.

21 **14-1.1-5. Reporting child victims of sex trafficking and sexual exploitation as victims**
22 **of child abuse.** – Any child who is believed to be a victim of sex trafficking or sexual
23 exploitation shall be reported to the department of children, youth and families as an alleged
24 victim of child abuse or neglect in accordance with the provisions of Chapter 11 of Title 40.

25 (a) The department has the affirmative duty to report all such allegations to the
26 appropriate law enforcement agency(ies) who shall investigate such allegations jointly with the
27 department.

28 (b) A victim of sex trafficking or severe forms of trafficking as defined in §40-11-2 shall
29 be considered as a victim of child abuse and neglect and sexual abuse regardless of whether or
30 not the individual alleged to have perpetrated the sexual trafficking or severe forms of trafficking
31 is a parent of the child or other person responsible for the child's welfare.

32 (c) Should the department determine that the allegations of child abuse or neglect are
33 supported in accordance with evidentiary standards, the department shall indicate the child as a
34 victim of child abuse or neglect and provide appropriate services to the child and/or his or her

1 [family in accordance with normal child welfare practices;](#)

2 **14-1.1-6. Access to crime injuries compensation fund.** – [Any minor, or a person age](#)
3 [18 but under the age of twenty-one who is in the care and custody of the department of children,](#)
4 [youth and families, and who is identified as a victim of sex trafficking or sexual exploitation shall](#)
5 [be eligible to apply to the criminal injuries compensation fund in accordance with the provisions](#)
6 [of Chapter 25 of Title 12 of the Rhode Island General laws and the rules and regulations](#)
7 [promulgated by the office of the general treasurer.](#)

8 SECTION 3. Section 40-11-2 of the General Laws in Chapter 40-11 entitled "Abused and
9 Neglected Children" is hereby amended to read as follows:

10 **40-11-2. Definitions.** – When used in this chapter and unless the specific context
11 indicates otherwise:

12 (a) "Abused and/or neglected child" means a child whose physical or mental health or
13 welfare is harmed or threatened with harm when his or her parent or other person responsible for
14 his or her welfare:

15 (1) Inflicts or allows to be inflicted upon the child physical or mental injury, including
16 excessive corporal punishment; or

17 (2) Creates or allows to be created a substantial risk of physical or mental injury to the
18 child, including excessive corporal punishment; or

19 (3) Commits or allows to be committed, against the child, an act of sexual abuse; or

20 (4) Fails to supply the child with adequate food, clothing, shelter, or medical care, though
21 financially able to do so or offered financial or other reasonable means to do so; or

22 (5) Fails to provide the child with a minimum degree of care or proper supervision or
23 guardianship because of his or her unwillingness or inability to do so by situations or conditions
24 such as, but not limited to, social problems, mental incompetency, or the use of a drug, drugs, or
25 alcohol to the extent that the parent or other person responsible for the child's welfare loses his or
26 her ability or is unwilling to properly care for the child; or

27 (6) Abandons or deserts the child; or

28 (7) Sexually exploits the child in that the person allows, permits or encourages the child
29 to engage in prostitution as defined by the provisions in § 11-34.1-1 et seq., entitled "Commercial
30 Sexual Activity"; or

31 (8) Sexually exploits the child in that the person allows, permits, encourages or engages
32 in the obscene or pornographic photographing, filming or depiction of the child in a setting which
33 taken as a whole suggests to the average person that the child is about to engage in or has
34 engaged in, any sexual act, or which depicts any such child under eighteen (18) years of age,

1 performing sodomy, oral copulation, sexual intercourse, masturbation, or bestiality; or

2 (9) Commits or allows to be committed any sexual offense against the child as such
3 sexual offenses are defined by the provisions of chapter 37 of title 11, entitled "Sexual Assault",
4 as amended; or

5 (10) Commits or allows to be committed against any child an act involving sexual
6 penetration or sexual contact if the child is under fifteen (15) years of age; or if the child is fifteen
7 (15) years or older, and (1) force or coercion is used by the perpetrator, or (2) the perpetrator
8 knows or has reason to know that the victim is a severely impaired person as defined by the
9 provisions of § 11-5-11, or physically helpless as defined by the provisions of § 11-37-6.

10 (b) "Child" means a person under the age of eighteen (18).

11 (c) "Child protective investigator" means an employee of the department charged with
12 responsibility for investigating complaints and/or referrals of child abuse and/or neglect and
13 institutional child abuse and/or neglect.

14 (d) "Commercial sex act" means any sex act or sexually explicit performance on account
15 of which anything of value is given, promised to, or received, directly or indirectly, by any
16 person.

17 (e) "Department" means department of children, youth, and families.

18 (f) "Institution" means any private or public hospital or other facility providing medical
19 and/or psychiatric diagnosis, treatment, and care.

20 (g) "Institutional child abuse and neglect" means situations of known or suspected child
21 abuse or neglect where the person allegedly responsible for the abuse or neglect is a foster parent
22 or the employee of a public or private residential child care institution or agency; or any staff
23 person providing out-of-home care or situations where the suspected abuse or neglect occurs as a
24 result of the institution's practices, policies, or conditions.

25 (h) "Law enforcement agency" means the police department in any city or town and/or
26 the state police.

27 (i) "Mental injury" includes a state of substantially diminished psychological or
28 intellectual functioning in relation to, but not limited to, such factors as: failure to thrive; ability
29 to think or reason; control of aggressive or self-destructive impulses; acting-out or misbehavior,
30 including incorrigibility, ungovernability, or habitual truancy; provided, however, that the injury
31 must be clearly attributable to the unwillingness or inability of the parent or other person
32 responsible for the child's welfare to exercise a minimum degree of care toward the child.

33 (j) "Person responsible for child's welfare" means the child's parent, guardian, any
34 individual, eighteen (18) years of age or older, who resides in the home of a parent or guardian

1 and has unsupervised access to a child, foster parent, an employee of a public or private
2 residential home or facility, or any staff person providing out-of-home care (out-of-home care
3 means child day care to include family day care, group day care, and center-based day care).
4 Provided further that an individual, eighteen (18) years of age or older, who resides in the home
5 of a parent or guardian and has unsupervised access to the child, shall not have the right to
6 consent to the removal and examination of the child for the purposes of § 40-11-6.

7 (k) "Physician" means any licensed doctor of medicine, licensed osteopathic physician,
8 and any physician, intern, or resident of an institution as defined in subdivision (5).

9 (l) "Probable cause" means facts and circumstances based upon as accurate and reliable
10 information as possible that would justify a reasonable person to suspect that a child is abused or
11 neglected. The facts and circumstances may include evidence of an injury or injuries, and the
12 statements of a person worthy of belief, even if there is no present evidence of injury.

13 (m) "Sex act" means sexual intercourse, cunnilingus, fellatio, anal intercourse, and digital
14 intrusion or intrusion by any object into the genital opening or anal opening of another person's
15 body or the stimulation by hand of another's genitals for the purposes of arousing or gratifying the
16 sexual desire of either person.

17 (n) "Sexually-explicit performance" means an act or show, intended to arouse, satisfy the
18 sexual desires of, or appeal to the prurient interests of patrons or viewers, whether public or
19 private, live, photographed, recorded, or videotaped.

20 (o) "Shaken baby syndrome" means a form of abusive head trauma, characterized by a
21 constellation of symptoms caused by other than accidental traumatic injury resulting from the
22 violent shaking of and/or impact upon an infant or young child's head.

23 (p) A "victim of sex trafficking" is a minor as defined in this chapter who has been
24 recruited, employed, enticed, solicited, isolated, harbored, transported, provided, persuaded,
25 obtained or maintained for the purposes of performing commercial sex acts;

26 (q) A "victim of severe forms of trafficking" is a minor as defined in this chapter who is
27 induced by force, fraud or coercion to perform a commercial sex act;

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

29 **ARTICLE 24**

30 **RELATING TO RESTRICTED RECEIPTS**

31 SECTION 1. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
32 is hereby amended to read as follows:

33 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** – Indirect cost
34 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt

1 accounts, to be recorded as general revenues in the general fund. However, there shall be no
2 transfer from cash receipts with restrictions received exclusively: (1) From contributions from
3 non-profit charitable organizations; (2) From the assessment of indirect cost recovery rates on
4 federal grant funds; or (3) Through transfers from state agencies to the department of
5 administration for the payment of debt service. These indirect cost recoveries shall be applied to
6 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
7 following restricted receipt accounts shall not be subject to the provisions of this section:

8 Executive Office of Health and Human Services
9 Organ Transplant Fund
10 HIV Care Grant Drug Rebates
11 Department of Human Services
12 Veterans' home – Restricted account
13 Veterans' home – Resident benefits
14 Pharmaceutical Rebates Account
15 Demand Side Management Grants
16 Veteran's Cemetery Memorial Fund
17 Donations – New Veterans' Home Construction
18 Department of Health
19 Providence Water Lead Grant
20 Pandemic medications and equipment account
21 Miscellaneous Donations/Grants from Non-Profits
22 State Loan Repayment Match
23 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
24 Eleanor Slater non-Medicaid third-party payor account
25 Hospital Medicare Part D Receipts
26 RICLAS Group Home Operations
27 Commission on the Deaf and Hard of Hearing
28 Emergency and public communication access account
29 Department of Environmental Management
30 National heritage revolving fund
31 [Local Agriculture & Seafood Fund](#)
32 Environmental response fund II
33 Underground storage tanks registration fees
34 Rhode Island Historical Preservation and Heritage Commission

1 Historic preservation revolving loan fund
2 Historic Preservation loan fund – Interest revenue
3 Department of Public Safety
4 Forfeited property – Retained
5 Forfeitures – Federal
6 Forfeited property – Gambling
7 Donation – Polygraph and Law Enforcement Training
8 Rhode Island State Firefighter's League Training Account
9 Fire Academy Training Fees Account
10 Attorney General
11 Forfeiture of property
12 Federal forfeitures
13 Attorney General multi-state account
14 Forfeited property – Gambling
15 Department of Administration
16 RI Health Benefits Exchange
17 Office of Management and Budget
18 Information Technology Investment Fund
19 Restore and replacement – Insurance coverage
20 Convention Center Authority rental payments
21 Investment Receipts – TANS
22 Car Rental Tax/Surcharge-Warwick Share
23 Housing Resources Commission Restricted Account
24 Department of Revenue
25 [DMV Modernization Project](#)
26 Jobs Tax Credit Redemption Fund
27 Legislature
28 Audit of federal assisted programs
29 Department of Children, Youth and Families
30 Children's Trust Accounts – SSI
31 Military Staff
32 RI Military Family Relief Fund
33 RI National Guard Counterdrug Program
34 [Emergency Management Agency](#)

- 1 [RISCON Infrastructure Repairs/Equipment Replacement \(Google\)](#)
- 2 Treasury
- 3 Admin. Expenses – State Retirement System
- 4 Retirement – Treasury Investment Options
- 5 Defined Contribution – Administration - RR
- 6 Violent Crimes Compensation – Refunds
- 7 Treasury Research Fellowship
- 8 Business Regulation
- 9 Banking Division Reimbursement Account
- 10 Office of the Health Insurance Commissioner Reimbursement Account
- 11 Securities Division Reimbursement Account
- 12 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 13 Insurance Division Reimbursement Account
- 14 Historic Preservation Tax Credit Account.
- 15 Judiciary
- 16 Arbitration Fund Restricted Receipt Account
- 17 Third-Party Grants
- 18 RI Judiciary Technology Surcharge Account
- 19 Department of Elementary and Secondary Education
- 20 Statewide Student Transportation Services Account
- 21 School for the Deaf Fee for Service Account
- 22 Davies Career and Technical School Local Education Aid Account
- 23 Davies – National School Breakfast & Lunch Program
- 24 Department of Labor and Training
- 25 Job Development Fund
- 26 Department of Transportation
- 27 Rhode Island Highway Maintenance Account

28 SECTION 2. This article shall take effect as of July 1, 2016.

29 **ARTICLE 25**
30 **RELATING TO EFFECTIVE DATE**

31 SECTION 1. This act shall take effect as of July 1, 2016, except as otherwise provided
32 herein.

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

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EXPLANATION OF ARTICLES

ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2017

This article makes appropriations from general revenue and authorizes expenditure of federal funds, restricted receipts, and other funds for FY 2017. This article also identifies the FTE position authorizations for each agency and department for fiscal year 2017; provides multi-year appropriations for Rhode Island Capital Plan Fund projects; provides for the reappropriation of unexpended and unencumbered funds from the Rhode Island Capital Plan Fund project appropriations in the ensuing fiscal year; provides expenditure limits for internal service funds; provides appropriations for all Temporary Disability Insurance funds, Employment Security funds, University and College funds, and Lottery Division funds.

ARTICLE 2

RELATING TO PUBLIC FINANCE MANAGEMENT BOARD

This article strengthens the Public Finance Management Board’s oversight of debt issuance in the State of Rhode Island and provides funding for the establishment of a Division of Debt Management within the Office of the General Treasurer.

ARTICLE 3

RELATING TO PUBLIC OFFICERS AND EMPLOYEES

This article will enhance accountability and increase flexibility by lengthening the probationary period for newly hired employees, add additional positions to the unclassified service, and establish a standard for the Personnel Appeal Board to apply when determining whether the degree of discipline imposed upon an employee is appropriate. In addition, this article will provide the Governor with flexibility in setting salaries of cabinet directors, and provide retired state employees with an option to receive a cash payment in lieu of receiving state health insurance coverage.

ARTICLE 4

RELATING TO GOVERNMENT ORGANIZATION

This article will formalize and streamline several important areas of state government which is intended to improve government efficiency, protect against fraud, waste and abuse, and to better serve the citizens of Rhode Island. Included within this article is the establishment of the Office of Diversity, Equity and Opportunity, the Office of Internal Audit, an Independent Office of Veterans Affairs, the Division of Enterprise Technology Strategy and Service, and the Division of Capital Asset Management and Maintenance. In addition, the Women, Infants, and Children program is transferred to the Department of Health from the Department of Human Services.

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ARTICLE 5

RELATING TO CAPITAL DEVELOPMENT PROGRAM

This article submits to the voters of Rhode Island in November 2016, for their approval or rejection, capital development referenda totaling \$257,500,000. This consists of one higher education referendum consisting of two projects, one referendum for the Davisville Port, one environmental and recreation referendum consisting of seven components, one housing referendum, one school construction referendum, and one referendum for the Veteran’s Home. The proposition would authorize the issuance of bonds, refunding bonds, or temporary notes of the State for capital projects.

ARTICLE 6

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTION

This article serves as a joint resolution for the issuance of debt for a proposed project at the port at Quonset in North Kingstown. This project includes improvements to the harbor, the pier, and other port improvements. The name of the project is the 2016 Davisville Piers Project and the aggregate amount of debt shall not exceed \$20.0 million.

ARTICLE 7

RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION

This article establishes the legal authority for the Secretary of the Executive Office of Health and Human Services to review and coordinate any Medicaid section 1115 demonstration waiver requests and renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category II or III changes as described in the demonstration.

ARTICLE 8

RELATING TO LICENSING OF HOSPITAL FACILITIES

This article authorizes the State to continue its collection of the Hospital Licensing Fee for one additional fiscal year.

ARTICLE 9

RELATING TO MEDICAL ASSISTANCE AND HOSPITAL UNCOMPENSATED CARE

This article implements several changes to the organization, financing and delivery of the Medicaid program that build on the foundation of the Reinventing Medicaid Act including leveraging funds from all available sources to ensure access to coordinated health care services and promotion of better health outcomes through performance-based payment incentives and reforms.

ARTICLE 10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2016

This article makes revised appropriations from general revenue and authorizes

1 expenditure of federal funds, restricted receipts, and other funds for FY 2016. This article also
2 provides that each line in Section 10 constitutes an appropriation; provides expenditures limits for
3 internal service funds; identifies revised FTE position authorizations for each agency and
4 department for fiscal year 2016; and provides for an effective date of “upon passage”.

5 **ARTICLE 11**

6 **STRENGTHENING NEIGHBORHOOD SCHOOLS**

7 This article amends several sections of law relating to school district accounting and the
8 education funding formula, including review of the formula on a regular interval, change to the
9 weight for high-cost special education and adjusting per pupil funding for charter school students.
10 Also, new accounting standards for greater transparency at the local level are proposed.

11 **ARTICLE 12**

12 **RELATING TO REVENUE – CIGARETTE TAXES**

13 This article increases cigarette taxes by \$0.25 to \$4.00 per pack of 20 and creates a floor
14 tax on cigarettes held for sale in the State as of August 1, 2016.

15 **ARTICLE 13**

16 **MAKING WORK PAY**

17 This article amends section 28-12-3 of the General Laws entitled “Minimum Wages” and
18 section 44-30-2.6 entitled “Rhode Island taxable income – Rate of tax”. The first section of this
19 article increases the minimum wage to \$10.10 per hour, effective January 1, 2017. The second
20 section of this article increases the earned income tax credit to 15.0 percent of the federal Earned
21 Income Credit, also effective January 1, 2017.

22 **ARTICLE 14**

23 **RELATING TO CAREGIVERS/COMPASSION CENTERS**

24 This article restructures and expands regulation of Rhode Island’s medical marijuana
25 system. The Department of Business Regulation (DBR) will regulate primary caregivers, compassion
26 centers, cooperative cultivations, and a new class of cultivator licenses for people and businesses
27 who wish to operate as wholesale suppliers of marijuana to compassion centers. The Department of
28 Health will continue to regulate patients and a new group called authorized purchasers. This article
29 implements a system requiring every medical marijuana plant in the state to be tagged, and tag
30 holders will be charged an annual fee for each tag. This article also lowers the number of plants a
31 qualifying patient or primary caregiver can grow, and decreases the surcharge on compassion centers
32 from 4% to 3%.

33 **ARTICLE 15**

34 **RELATING TO MUNICIPALITIES**

1 This article simplifies and streamlines data reporting through a newly created Municipal
2 Transparency Portal, encourages the exchange of information between the Division of Municipal
3 Finance and other governmental entities, increases the collection of overdue taxes in distressed
4 municipalities, and changes the property reevaluation schedule.

5 **ARTICLE 16**

6 **MAKING IT EASIER TO DO BUSINESS IN RHODE ISLAND**

7 This article would establish a TDI Fraud and Program Integrity Task Force that will be
8 responsible for educating RI's workforce, employers and healthcare professionals about the TDI
9 program, acceptable use and what constitutes fraud. In addition, this legislation would make a
10 change in the Reserve Ratios for the Employment Security Trust Fund that would provide
11 employers with some tax relief earlier than would occur under current law, while still ensuring
12 adequate reserves in the Employment Security Trust Fund to pay future UI benefits.

13 **ARTICLE 17**

14 **RELATING TO COMMERCE**

15 This article would enlarge and enhance the RI Wavemaker Fellowship program, alleviate
16 the property tax burden through changes to the TSA Incentive Program, enhance the ability of the
17 Qualified Jobs Incentive Act to create more jobs, increase flexibility in the administration of
18 certain economic development funds by amending the Rebuild Rhode Island Tax Credit and
19 Anchor Institution Tax credit programs. In addition, this article establishes a new refundable
20 research and development tax credit.

21 **ARTICLE 18**

22 **RELATING TO RENEWABLE ENERGY PROGRAMS**

23 This article proposes the extension of the renewable energy fund surcharge to December 31,
24 2022; updates the state's net metering program to enable third party financing and additional net
25 metering arrangement opportunities for homeowners, businesses, private and public institutions;
26 exempts renewable energy resources and associated equipment installed after December 31, 2015
27 from being assessed property taxes; and allows a town or city council to pass an ordinance to assess
28 property taxes on renewable energy resources after consulting with the office of energy resources
29 and division of taxation.

30 **ARTICLE 19**

31 **RELATING TO DIVISION OF MOTOR VEHICLES**

32 This article delays the requirement that the Division of Motor Vehicles begin issuing new
33 fully reflective license plates by July 1, 2016, to April 1, 2017. The article also allows for the
34 issuance of the new plates to occur at either the initial registration of a vehicle, or at the renewal of an

1 existing vehicle registration.

2 **ARTICLE 20**

3 RELATING TO LOCAL AGRICULTURE AND SEAFOOD ACT (LASA) GRANTS

4 This article amends the Rhode Island Local Agriculture and Seafood Act to include the
5 requirement that fees collected for the lease of submerged tidal lands for renewable energy
6 projects over \$5.0 million shall be deposited in the Rhode Island Local Agriculture and Seafood
7 Fund. In addition, this article establishes grant funding up to \$50,000 for the fishing community.

8 **ARTICLE 21**

9 RELATING TO DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL
10 DISABILITIES AND HOSPITALS

11 This article co-designates the Department of Behavioral Healthcare, Developmental
12 Disabilities and Hospitals and the Executive Office of Health and Human Services as the single
13 state authority for the purposes of calculating the Maintenance of Effort for the Substance Abuse
14 Block Grant.

15 **ARTICLE 22**

16 RELATING TO STATE BUDGET

17 This article amends the language that requires the principals of the Revenue Estimating
18 Conference to meet within the first 10 days of May and the first 10 days of November to the first
19 ten days of May and the last 10 days of January. This article also changes the timing of the
20 Governor's annual budget submission to no later than the second Thursday in March during years
21 when a new Governor is inaugurated, and the second Thursday in February for all other years.
22 Finally, the article reforms certain Caseload Estimating Conference (CEC) procedures and
23 excludes cash assistance programs from the conference.

24 **ARTICLE 23**

25 RELATING TO SAFE HARBOR FOR SEXUALLY EXPLOITED CHILDREN

26 This article would create the Rhode Island Safe Harbor Act to insure protection of the
27 public and a safe environment for those sexually exploited minors, who are charged with
28 prostitution or who are alleged to be victims of human trafficking; and provide these minors with
29 the access to appropriate services.

30 **ARTICLE 24**

31 RELATING TO RESTRICTED RECEIPTS

32 This article adds three restricted receipt accounts to the list of accounts exempted from
33 the 10.0 percent indirect cost recovery fee.

34 **ARTICLE 25**

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RELATING TO EFFECTIVE DATE

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This article provides that the act shall take effect as of July 1, 2016, except as otherwise

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provided herein.

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