

2016 -- H 7454 SUBSTITUTE A AS AMENDED

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LC004502/SUB A
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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 MAKING IT EASIER TO DO BUSINESS IN
- 4 RHODE ISLAND
- 5 ARTICLE 4 RELATING TO GOVERNMENT ORGANIZATION
- 6 ARTICLE 5 RELATING TO CAPITAL DEVELOPMENT PROGRAM
- 7 ARTICLE 6 RELATING TO DEBT MANAGEMENT ACT RESOLUTION
- 8 ARTICLE 7 RELATING TO HEALTH AND HUMAN SERVICES
- 9 ARTICLE 8 RELATING TO MUNICIPALITIES
- 10 ARTICLE 9 RELATING TO DIVISION OF MOTOR VEHICLES
- 11 ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT
- 12 OF FY 2016
- 13 ARTICLE 11 RELATING TO STRENGTHENING NEIGHBORHOOD SCHOOLS
- 14 ARTICLE 12 RELATING TO BUDGET AND ACCOUNTS
- 15 ARTICLE 13 RELATING TO TAXES AND REVENUES
- 16 ARTICLE 14 RELATING TO CAREGIVERS/COMPASSION CENTERS
- 17 ARTICLE 15 RELATING TO LEASE AGREEMENT FOR LEASED OFFICE AND
- 18 OPERATING SPACE

- 1 ARTICLE 16 RELATING TO CLEAN DIESEL PROGRAM
- 2 ARTICLE 17 RELATING TO COMMERCE AND ECONOMIC DEVELOPMENT
- 3 ARTICLE 18 RELATING TO EFFECTIVE DATE

ARTICLE 1 AS AMENDED

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2017

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

Administration

<i>Central Management</i> General Revenues		2,660,785
<i>Legal Services</i> General Revenues		2,185,988
<i>Accounts and Control</i> General Revenues		4,147,433
<i>Office of Management and Budget</i>		
General Revenues		8,535,107
Restricted Receipts		355,000
Other Funds		1,381,095
Total – Office of Management and Budget		10,271,202

Purchasing

General Revenues		2,860,722
Other Funds		232,640
Total – Purchasing		3,093,362

Human Resources

General Revenues		7,783,906
Federal Funds		784,618
Restricted Receipts		487,070
Other Funds		1,486,706
Total – Human Resources		10,542,300

1	<i>Personnel Appeal Board</i> General Revenues	133,419
2	<i>Information Technology</i>	
3	General Revenues	21,840,562
4	Federal Funds	6,778,053
5	Restricted Receipts	9,903,237
6	Other Funds	2,771,449
7	Total – Information Technology	41,293,301
8	<i>Library and Information Services</i>	
9	General Revenues	1,342,819
10	Federal Funds	1,200,253
11	Restricted Receipts	28
12	Total – Library and Information Services	2,543,100
13	<i>Planning</i>	
14	General Revenues	1,341,758
15	Federal Funds	1,014,317
16	Other Funds	
17	Air Quality Modeling	24,000
18	Federal Highway – PL Systems Planning	2,974,750
19	Total – Planning	5,354,825
20	<i>General</i>	
21	General Revenues	
22	General Revenues	50,000
23	Provided that this amount be allocated to City Year for the Whole School Whole Child	
24	Program, which provides individualized support to at-risk students.	
25	Torts – Courts/Awards	400,000
26	State Employees/Teachers Retiree Health Subsidy	2,321,057
27	Resource Sharing and State Library Aid	9,362,072
28	Library Construction Aid	2,223,220
29	RIPTA	900,000
30	Restricted Receipts	421,500
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	Statehouse Renovations	700,000
34	DoIT Enterprise Operations Center	500,000

1	Cranston Street Armory	1,500,000
2	Cannon Building	400,000
3	Pastore Center Rehab DOA Portion	6,783,000
4	Zambarano Building Rehabilitation	3,785,000
5	Pastore Strategic Plan	1,325,500
6	Old State House	500,000
7	State Office Building	1,670,000
8	Old Colony House	100,000
9	William Powers Building	1,000,000
10	Pastore Center Utility Systems Upgrade	2,878,000
11	Replacement of Fueling Tanks	400,000
12	Environmental Compliance	200,000
13	Big River Management Area	100,000
14	Washington County Government Center	500,000
15	Veterans Memorial Auditorium	245,000
16	Chapin Health Laboratory	2,362,000
17	Pastore Center Parking	900,000
18	Pastore Center Water Tanks and Pipes	380,000
19	RI Convention Center Authority	1,000,000
20	Dunkin Donuts Center	2,787,500
21	Pastore Power Plant Rehabilitation	640,000
22	Virks Building Renovations	14,505,000
23	Accessibility – Facility Renovations	1,000,000
24	Total – General	61,838,849
25	<i>Debt Service Payments</i>	
26	General Revenues	130,523,966
27	Out of the general revenue appropriations for debt service, the General Treasurer is	
28	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
29	maximum debt service due in accordance with the loan agreement.	
30	Federal Funds	2,235,315
31	Restricted Receipts	111,453
32	Other Funds	
33	COPS – DLT Building - TDI	127,677
34	Transportation Debt Service	45,942,881

1	Investment Receipts – Bond Funds	100,000
2	Total - Debt Service Payments	179,041,292
3	<i>Energy Resources</i>	
4	Federal Funds	397,040
5	Restricted Receipts	12,520,976
6	Total – Energy Resources	12,918,016
7	<i>Rhode Island Health Benefits Exchange</i>	
8	General Revenues	2,625,841
9	Federal Funds	1,177,039
10	Restricted Receipts	8,580,747
11	Total – Rhode Island Health Benefits Exchange	12,383,627
12	<i>Construction Permitting, Approvals and Licensing</i>	
13	General Revenues	1,823,455
14	Restricted Receipts	1,440,520
15	Total –Approvals and Licensing	3,263,975
16	<i>Office of Diversity, Equity & Opportunity</i>	
17	General Revenues	1,294,640
18	Other Funds	92,993
19	Total – Office of Diversity, Equity & Opportunity	1,387,633
20	<i>Capital Asset Management and Maintenance</i>	
21	General Revenues	34,693,189
22	Federal Funds	1,310,071
23	Restricted Receipts	443,424
24	Other Funds	4,412,913
25	Total – Capital Asset Management and Maintenance	40,859,597
26	<i>Personnel and Operational Reforms</i> General Revenues	(1,966,421)
27	Grand Total – Administration	391,952,283
28	Business Regulation	
29	<i>Central Management</i> General Revenues	1,325,909
30	<i>Banking Regulation</i>	
31	General Revenues	1,818,673
32	Restricted Receipts	50,000
33	Total – Banking Regulation	1,868,673
34	<i>Securities Regulation</i>	

1	General Revenues	1,079,028
2	Restricted Receipts	15,000
3	Total – Securities Regulation	1,094,028
4	<i>Insurance Regulation</i>	
5	General Revenues	3,993,494
6	Restricted Receipts	1,792,566
7	Total – Insurance Regulation	5,786,060
8	<i>Office of the Health Insurance Commissioner</i>	
9	General Revenues	1,449,061
10	Federal Funds	1,100,710
11	Restricted Receipts	11,500
12	Total – Office of the Health Insurance Commissioner	2,561,271
13	<i>Board of Accountancy</i> General Revenues	6,000
14	<i>Commercial Licensing, Racing & Athletics</i>	
15	General Revenues	638,207
16	Restricted Receipts	2,306,661
17	Total – Commercial Licensing, Racing & Athletics	2,944,868
18	<i>Boards for Design Professionals</i> General Revenues	273,080
19	Grand Total – Business Regulation	15,859,889
20	Executive Office of Commerce	
21	<i>Central Management</i> General Revenues	1,200,198
22	<i>Housing and Community Development</i>	
23	General Revenues	617,205
24	Federal Funds	17,790,927
25	Restricted Receipts	4,750,000
26	Total – Housing and Community Development	23,158,132
27	<i>Quasi-Public Appropriations</i>	
28	General Revenues	
29	Rhode Island Commerce Corporation	7,394,514
30	Airport Impact Aid	1,025,000
31	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
32	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of	
33	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent	
34	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the	

1 calendar year 2016 at North Central Airport, Newport-Middletown Airport, Block Island Airport,
 2 Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island
 3 Commerce Corporation shall make an impact payment to the towns or cities in which the airport
 4 is located based on this calculation. Each community upon which any parts of the above airports
 5 are located shall receive at least \$25,000.

6	STAC Research Alliance	1,150,000
7	Innovative Matching Grants/Internships	1,000,000
8	I-195 Redevelopment District Commission	761,000
9	Chafee Center at Bryant	376,200
10	RI College and University Research Collaborative	150,000
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	I-195 Redevelopment District Commission	300,000
14	Quonset Piers	1,000,000
15	Total – Quasi–Public Appropriations	13,156,714

16 *Economic Development Initiatives Fund*

17	General Revenues	
18	Cluster Grants	500,000
19	Main Street RI Streetscape Improvements	1,000,000
20	Rebuild RI Tax Credit Fund	25,000,000
21	First Wave Closing Fund	7,000,000
22	P-tech	1,200,000
23	Innovation Vouchers	1,500,000
24	Anchor Institution Tax Credits	700,000
25	Total – Economic Development Initiatives Fund	36,900,000
26	<i>Commerce Programs</i> General Revenues	5,000,000
27	Grand Total – Executive Office of Commerce	79,415,044

28 **Labor and Training**

29 *Central Management*

30	General Revenues	120,134
31	Restricted Receipts	529,314
32	Other Funds	
33	Rhode Island Capital Plan Funds	
34	Center General Asset Protection	1,905,000

1	Total – Central Management	2,554,448
2	<i>Workforce Development Services</i>	
3	General Revenues	704,517
4	Federal Funds	24,121,921
5	Restricted Receipts	12,028,451
6	Other Funds	9,711
7	Total – Workforce Development Services	36,864,600
8	<i>Workforce Regulation and Safety</i> General Revenues	2,825,411
9	<i>Income Support</i>	
10	General Revenues	4,160,083
11	Federal Funds	14,329,659
12	Restricted Receipts	2,475,000
13	Other Funds	
14	Temporary Disability Insurance Fund	186,953,678
15	Employment Security Fund	160,400,000
16	Total – Income Support	368,318,420
17	<i>Injured Workers Services</i> Restricted Receipts	8,552,358
18	<i>Labor Relations Board</i> General Revenues	402,491
19	Grand Total – Labor and Training	419,517,728
20	Department of Revenue	
21	<i>Director of Revenue</i> General Revenues	1,147,047
22	<i>Office of Revenue Analysis</i> General Revenues	806,836
23	<i>Lottery Division</i> Lottery Funds	362,367,224
24	<i>Municipal Finance</i> General Revenues	3,053,887
25	Provided that \$600,000 of the total is to support the operations of the City of Central Falls.	
26	<i>Taxation</i>	
27	General Revenues	20,294,329
28	Federal Funds	1,343,291
29	Restricted Receipts	930,267
30	Other Funds	
31	Motor Fuel Tax Evasion	176,148
32	Temporary Disability Insurance Fund	987,863
33	Total – Taxation	23,731,898
34	<i>Registry of Motor Vehicles</i>	

1	General Revenues	20,518,390
2	License Plate Issuance	3,150,000
3	All unexpended or unencumbered balances as of June 30, 2017 relating to license plate	
4	reissuance are hereby reappropriated to fiscal year 2018.	
5	Federal Funds	802,076
6	Restricted Receipts	4,094,763
7	Total – Registry of Motor Vehicles	28,565,229
8	<i>State Aid</i>	
9	General Revenues	
10	Distressed Communities Relief Fund	12,384,458
11	Payment in Lieu of Tax Exempt Properties	41,979,103
12	Motor Vehicle Excise Tax Payments	10,000,000
13	Property Revaluation Program	559,901
14	Restricted Receipts	922,013
15	Total – State Aid	65,845,475
16	Grand Total – Revenue	485,517,596
17	Legislature	
18	General Revenues	41,052,730
19	Restricted Receipts	1,696,572
20	Grand Total – Legislature	42,749,302
21	Lieutenant Governor General Revenues	1,079,576
22	Secretary of State	
23	<i>Administration</i> General Revenues	3,539,219
24	<i>Corporations</i> General Revenues	2,192,627
25	<i>State Archives</i>	
26	General Revenues	133,721
27	Restricted Receipts	516,519
28	Other Funds	
29	Rhode Island Capital Plan Funds	
30	State Archives	100,000
31	Total – State Archives	750,240
32	<i>Elections and Civics</i> General Revenues	3,377,103
33	<i>State Library</i>	
34	General Revenues	554,149

1	Contingency Fund	250,000
2	Grand Total – Office of Governor	5,091,069
3	Commission for Human Rights	
4	General Revenues	1,258,128
5	Federal Funds	323,295
6	Grand Total – Commission for Human Rights	1,581,423
7	Public Utilities Commission	
8	Federal Funds	104,669
9	Restricted Receipts	8,822,304
10	Grand Total – Public Utilities Commission	8,926,973
11	Office of Health and Human Services	
12	<i>Central Management</i>	
13	General Revenues	32,544,387
14	Federal Funds	
15	Federal Funds	109,882,888
16	Federal Funds – Stimulus	100,085
17	Restricted Receipts	3,914,402
18	Total – Central Management	146,441,762
19	<i>Medical Assistance</i>	
20	General Revenues	
21	Managed Care	294,797,721
22	Hospitals	94,223,146
23	Nursing Facilities	87,653,283
24	Home and Community Based Services	33,104,210
25	Other Services	45,710,484
26	Pharmacy	57,379,065
27	Rhody Health	291,574,716
28	Federal Funds	
29	Managed Care	353,210,935
30	Hospitals	107,062,817
31	Nursing Facilities	97,557,413
32	Home and Community Based Services	34,286,903
33	Other Services	429,645,177
34	Pharmacy	(1,111,840)

1	Rhody Health	298,041,793
2	Special Education	19,000,000
3	Restricted Receipts	9,615,000
4	Total – Medical Assistance	2,251,750,823
5	Grand Total – Office of Health and Human Services	2,398,192,585
6	Children, Youth, and Families	
7	<i>Central Management</i>	
8	General Revenues	7,074,378
9	Federal Funds	2,808,145
10	Total – Central Management	9,882,523
11	<i>Children's Behavioral Health Services</i>	
12	General Revenues	5,004,800
13	Federal Funds	4,828,525
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	Various Repairs and Improvements to Training School	250,000
17	Total – Children's Behavioral Health Services	10,083,325
18	<i>Juvenile Correctional Services</i>	
19	General Revenues	24,927,098
20	Federal Funds	281,367
21	Total – Juvenile Correctional Services	25,208,465
22	<i>Child Welfare</i>	
23	General Revenues	114,567,488
24	Federal Funds	
25	Federal Funds	52,104,852
26	Federal Funds – Stimulus	386,594
27	Restricted Receipts	3,466,576
28	Other Funds	
29	Rhode Island Capital Plan Funds	
30	Youth Group Homes – Fire Code Upgrades	590,000
31	Total – Child Welfare	171,115,510
32	<i>Higher Education Incentive Grants</i>	
33	General Revenues	200,000
34	Grand Total – Children, Youth, and Families	216,489,823

1	Health	
2	<i>Central Management</i>	
3	Federal Funds	808,064
4	Restricted Receipts	4,043,053
5	Total – Central Management	4,851,117
6	<i>Community Health and Equity</i>	
7	General Revenues	1,530,102
8	Federal Funds	74,019,207
9	Restricted Receipts	30,434,862
10	Total – Community Health and Equity	105,984,171
11	<i>Environmental Health</i>	
12	General Revenues	5,169,143
13	Federal Funds	6,148,955
14	Restricted Receipts	386,415
15	Total – Environmental Health	11,704,513
16	<i>Health Laboratories and Medical Examiner</i>	
17	General Revenues	10,028,498
18	Federal Funds	2,129,140
19	Total – Health Laboratories and Medical Examiner	12,157,638
20	<i>Customer Services</i>	
21	General Revenues	6,363,621
22	Federal Funds	3,491,908
23	Restricted Receipts	1,142,254
24	Total – Customer Services	10,997,783
25	<i>Policy, Information and Communications</i>	
26	General Revenues	937,935
27	Federal Funds	1,629,319
28	Restricted Receipts	581,225
29	Total – Policy, Information and Communications	3,148,479
30	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
31	General Revenues	1,902,523
32	Federal Funds	12,138,428
33	Total – Preparedness, Response, Infectious Disease &	
34	Emergency Services	14,040,951

1	Grand Total - Health	162,884,652
2	Human Services	
3	<i>Central Management</i>	
4	General Revenues	
5	General Revenues	4,332,023
6	Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to	
7	provide direct services through the Coalition Against Domestic Violence, \$250,000 is to support	
8	Project Reach activities provided by the RI Alliance of Boys and Girls Club, \$217,000 is for	
9	outreach and supportive services through Day One, \$175,000 is for food collection and	
10	distribution through the Rhode Island Community Food Bank, \$300,000 for services provided to	
11	the homeless at Crossroads Rhode Island and \$200,000 is to support the Institute for the Study	
12	and Practice of Nonviolence's Violence Reduction Strategy.	
13	Community Action Fund	520,000
14	This amount shall be used to provide services to individuals and families through the nine	
15	community action agencies.	
16	Federal Funds	4,155,192
17	Restricted Receipts	520,844
18	Total – Central Management	9,528,059
19	<i>Child Support Enforcement</i>	
20	General Revenues	3,314,623
21	Federal Funds	6,207,167
22	Total – Child Support Enforcement	9,521,790
23	<i>Individual and Family Support</i>	
24	General Revenues	18,876,650
25	Federal Funds	
26	Federal Funds	83,381,849
27	Federal Funds – Stimulus	1,625,839
28	Restricted Receipts	394,399
29	Other Funds	
30	Intermodal Surface Transportation Fund	4,428,478
31	Food Stamp Bonus Funding	500,000
32	Rhode Island Capital Plan Funds	
33	Blind Vending Facilities	165,000
34	Total – Individual and Family Support	109,372,215

1	<i>Office of Veterans' Affairs</i>	
2	General Revenues	
3	General Revenues	20,504,694
4	Support services through Veterans' Organization	200,000
5	Federal Funds	19,268,534
6	Restricted Receipts	676,499
7	Total – Office Veterans' Affairs	40,649,727
8	<i>Health Care Eligibility</i>	
9	General Revenues	8,527,641
10	Federal Funds	10,650,014
11	Total – Health Care Eligibility	19,177,655
12	<i>Supplemental Security Income Program</i> General Revenues	18,496,913
13	<i>Rhode Island Works</i>	
14	General Revenues	14,747,241
15	Federal Funds	78,203,704
16	Total – Rhode Island Works	92,950,945
17	<i>State Funded Programs</i>	
18	General Revenues	1,582,800
19	Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
20	Federal Funds	282,085,000
21	Total – State Funded Programs	283,667,800
22	<i>Elderly Affairs</i>	
23	General Revenues	
24	General Revenues	5,477,200
25	Of this amount, \$140,000 to provide elder services, including respite, through the	
26	Diocese of Providence, \$40,000 for ombudsman services provided by the Alliance for Long	
27	Term in accordance with RIGL 42-66.7 and \$85,000 for security for housing for the elderly in	
28	accordance with RIGL 42-66.1-3.	
29	Senior Center Support	400,000
30	Elderly Nutrition	580,000
31	Of this amount, \$530,000 is for Meals on Wheels.	
32	RIPAE	75,229
33	Care and Safety of the Elderly	1,300
34	Federal Funds	12,067,597

1	Restricted Receipts	120,693
2	Total – Elderly Affairs	18,722,019
3	Grand Total – Human Services	602,087,123
4	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
5	<i>Central Management</i>	
6	General Revenues	1,097,743
7	Federal Funds	597,685
8	Total – Central Management	1,695,428
9	<i>Hospital and Community System Support</i>	
10	General Revenues	1,474,964
11	Federal Funds	789,226
12	Other Funds	
13	Rhode Island Capital Plan Funds	
14	Medical Center Rehabilitation	250,000
15	Community Facilities Fire Code	400,000
16	Total – Hospital and Community System Support	2,914,190
17	<i>Services for the Developmentally Disabled</i>	
18	General Revenues	119,651,536
19	Of this general revenue funding, \$4.5 million shall be expended on private provider direct	
20	support staff raises and associated payroll costs to include targeted increases associated with	
21	performance-based contracting and system transformation incentives as authorized by the	
22	Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Any increases	
23	for direct support staff in residential or other community based settings must first receive the	
24	approval of the Office of Management and Budget and the Executive Office of Health and	
25	Human Services. Final approval of any funding re-design for services through the Division of	
26	Developmental Disabilities is also subject to approval of the Executive Office and the Office of	
27	Management and Budget.	
28	Federal Funds	124,135,783
29	Restricted Receipts	1,755,100
30	Other Funds	
31	Rhode Island Capital Plan Funds	
32	DD Private Waiver	200,000
33	MR Community Facilities/Access to Independence	500,000
34	Total – Services for the Developmentally Disabled	246,242,419

1	<i>Behavioral Healthcare Services</i>	
2	General Revenues	2,015,777
3	Federal Funds	17,235,690
4	Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse	
5	Task Forces and \$128,000 shall be expended on NAMI of RI.	
6	Restricted Receipts	100,000
7	Other Funds	
8	Rhode Island Capital Plan Funds	
9	MH Community Facilities Repair	200,000
10	MH Housing Development Thresholds	800,000
11	Substance Abuse Asset Protection	100,000
12	Total – Behavioral Healthcare Services	20,451,467
13	<i>Hospital and Community Rehabilitative Services</i>	
14	General Revenues	48,944,219
15	Federal Funds	50,280,372
16	Restricted Receipts	6,580,724
17	Other Funds	
18	Rhode Island Capital Plan Funds	
19	Zambarano Buildings and Utilities	386,000
20	Hospital Consolidation	1,000,000
21	Eleanor Slater HVAC/Elevators	5,837,736
22	MR Community Facilities	1,000,000
23	Hospital Equipment	300,000
24	Total - Hospital and Community Rehabilitative Services	114,329,051
25	Grand Total – Behavioral Healthcare, Developmental	385,632,555
26	Disabilities, and Hospitals	
27	Office of the Child Advocate	
28	General Revenues	650,582
29	Federal Funds	145,000
30	Grand Total – Office of the Child Advocate	795,582
31	Commission on the Deaf and Hard of Hearing	
32	General Revenues	477,746
33	Restricted Receipts	110,000
34	Grand Total – Comm. On Deaf and Hard of Hearing	587,746

1	Governor’s Commission on Disabilities	
2	General Revenues	412,547
3	Federal Funds	228,750
4	Restricted Receipts	44,126
5	Total – Governor’s Commission on Disabilities	685,423
6	Office of the Mental Health Advocate General Revenues	542,009
7	Elementary and Secondary Education	
8	<i>Administration of the Comprehensive Education Strategy</i>	
9	General Revenues	20,555,594
10	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s	
11	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$245,000 be allocated	
12	to support child opportunity zones through agreements with the department of elementary and	
13	secondary education to strengthen education, health and social services for students and their	
14	families as a strategy to accelerate student achievement.	
15	Federal Funds	
16	Federal Funds	202,791,134
17	Federal Funds – Stimulus	1,804,987
18	Restricted Receipts	1,264,259
19	HRIC Adult Education Grants	3,500,000
20	Other Funds	
21	Rhode Island Capital Plan Funds	
22	State-Owned Warwick	350,000
23	State-Owned Woonsocket	1,950,000
24	Total – Admin. of the Comprehensive Ed. Strategy	232,215,974
25	<i>Davies Career and Technical School</i>	
26	General Revenues	12,590,093
27	Federal Funds	1,379,112
28	Restricted Receipts	3,936,872
29	Other Funds	
30	Rhode Island Capital Plan Funds	
31	Davies HVAC	500,000
32	Davies Asset Protection	150,000
33	Total – Davies Career and Technical School	18,556,077
34	<i>RI School for the Deaf</i>	

1	General Revenues	6,326,744
2	Federal Funds	254,320
3	Restricted Receipts	785,791
4	Other Funds	
5	RI School for the Deaf Transformation Grants	59,000
6	Total – RI School for the Deaf	7,425,855
7	<i>Metropolitan Career and Technical School</i>	
8	General Revenues	9,342,007
9	Other Funds	
10	Rhode Island Capital Plan Funds	
11	MET Asset Protection	100,000
12	MET School HVAC	1,000,000
13	Total – Metropolitan Career and Technical School	10,442,007
14	<i>Education Aid</i>	
15	General Revenues	845,855,695
16	Restricted Receipts	20,700,072
17	Other Funds	
18	Permanent School Fund – Education Aid	600,000
19	Total – Education Aid	867,155,767
20	<i>Central Falls School District</i> General Revenues	39,100,578
21	<i>School Construction Aid</i>	
22	General Revenues	
23	School Housing Aid	70,907,110
24	School Building Authority Fund	9,092,890
25	Total – School Construction Aid	80,000,000
26	<i>Teachers' Retirement</i> General Revenues	99,076,582
27	Grand Total – Elementary and Secondary Education	1,353,972,840

28 **Public Higher Education**

29 *Office of the Postsecondary Commissioner*

30 General Revenues 6,298,407

31 Provided that \$355,000 shall be allocated to Rhode Island Children’s Crusade pursuant
32 to Rhode Island General Law, Section 16-70-5 and that \$30,000 shall be allocated to Best
33 Buddies Rhode Island to support its programs for children with developmental and intellectual
34 disabilities.

1 Appropriations to the Office of Postsecondary Commissioner of seven hundred and fifty
 2 thousand (\$750,000) are to be used for the Westerly Higher Education and Industry Center.
 3 Funds shall only be spent to secure a long-term lease of the facility.

4	Federal Funds	
5	Federal Funds	9,445,218
6	WaytogoRI Portal	863,629
7	Guaranty Agency Operating Fund-Scholarships & Grants	4,000,000
8	Restricted Receipts	361,925
9	Other Funds	
10	Tuition Savings Program – Dual Enrollment	1,300,000
11	Tuition Savings Program – Scholarships & Grants	6,095,000
12	Rhode Island Capital Plan Funds	
13	Westerly Campus	2,000,000
14	Total – Office of the Postsecondary Commissioner	30,364,179

15 *University of Rhode Island*

16	General Revenues	
17	General Revenues	75,616,226

18 Provided that in order to leverage federal funding and support economic development,
 19 \$250,000 shall be allocated to the Small Business Development Center and \$250,000 shall be
 20 allocated to the Polaris Manufacturing Extension Program, and that \$50,000 shall be allocated to
 21 Special Olympics Rhode Island to support its mission of providing athletic opportunities for
 22 individuals with intellectual and developmental disabilities.

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

28	Debt Service	13,182,679
29	RI State Forensics Laboratory	1,071,393
30	Other Funds	
31	University and College Funds	649,629,440
32	Debt – Dining Services	1,106,597
33	Debt – Education and General	3,786,661
34	Debt – Health Services	146,167

1	Debt – Housing Loan Funds	11,751,883
2	Debt – Memorial Union	319,976
3	Debt – Ryan Center	2,789,719
4	Debt – Alton Jones Services	102,946
5	Debt – Parking Authority	1,042,907
6	Debt – Sponsored Research	85,105
7	Debt – Restricted Energy Conservation	810,170
8	Debt – URI Energy Conservation	2,021,187
9	Rhode Island Capital Plan Funds	
10	Asset Protection	13,556,000
11	URI Shephard Building Upgrades	95,000
12	URI/RIC Nursing EDU Center Program Planning	200,000
13	Total – University of Rhode Island	777,314,056

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 University of Rhode Island are hereby
16 reappropriated to fiscal year 2017.

17 *Rhode Island College*

18	General Revenues	
19	General Revenues	46,996,330

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

25	Debt Service	2,565,254
26	Other Funds	
27	University and College Funds	125,192,812
28	Debt – Education and General	880,568
29	Debt – Housing	368,195
30	Debt – Student Center and Dining	154,068
31	Debt – Student Union	235,656
32	Debt – G.O. Debt Service	1,644,459
33	Debt Energy Conservation	256,275
34	Rhode Island Capital Plan Funds	

1	Asset Protection	5,357,700
2	Infrastructure Modernization	3,000,000
3	Total – Rhode Island College	186,651,317

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

7 *Community College of Rhode Island*

8	General Revenues	
9	General Revenues	48,936,035

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

15	Debt Service	1,691,204
16	Restricted Receipts	660,795
17	Other Funds	
18	University and College Funds	107,824,292
19	CCRI Debt Service – Energy Conservation	807,225
20	Rhode Island Capital Plan Funds	
21	Asset Protection	3,032,100
22	Knight Campus Renewal	4,000,000
23	Total – Community College of RI	166,951,651

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

27	Grand Total – Public Higher Education	1,161,281,203
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28 **RI State Council on the Arts**

29	General Revenues	
30	Operating Support	786,884
31	Grants	1,165,000

32 Provided that \$375,000 be provided to support the operational costs of WaterFire Providence art
33 installations.

34	Federal Funds	775,454
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1	Other Funds	303,200
2	Grand Total – RI State Council on the Arts	3,030,538
3	RI Atomic Energy Commission	
4	General Revenues	981,100
5	Federal Funds	32,422
6	Other Funds	
7	URI Sponsored Research	269,527
8	Rhode Island Capital Plan Funds	
9	RINSC Asset Protection	50,000
10	Grand Total – RI Atomic Energy Commission	1,333,049
11	RI Historical Preservation and Heritage Commission	
12	General Revenues	1,202,559
13	Provided that \$30,000 support the operational costs of the Fort Adams Trust’s restoration	
14	activities.	
15	Federal Funds	1,093,966
16	Restricted Receipts	427,175
17	Other Funds	
18	RIDOT – Project Review	79,998
19	Grand Total - RI Historical Preservation and Heritage Comm.	2,803,698
20	Attorney General	
21	<i>Criminal</i>	
22	General Revenues	15,675,925
23	Federal Funds	1,692,545
24	Restricted Receipts	6,637,954
25	Total – Criminal	24,006,424
26	<i>Civil</i>	
27	General Revenues	5,135,543
28	Restricted Receipts	916,302
29	Total – Civil	6,051,845
30	<i>Bureau of Criminal Identification</i> General Revenues	1,758,215
31	<i>General</i>	
32	General Revenues	3,026,299
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	Building Renovations and Repairs	300,000
2	Total – General	3,326,299
3	Grand Total – Attorney General	35,142,783
4	Corrections	
5	<i>Central Management</i> General Revenues	10,179,627
6	<i>Parole Board</i>	
7	General Revenues	1,338,481
8	Federal Funds	14,006
9	Total – Parole Board	1,352,487
10	<i>Custody and Security</i>	
11	General Revenues	133,857,240
12	Federal Funds	571,759
13	Total – Custody and Security	134,428,999
14	<i>Institutional Support</i>	
15	General Revenues	15,822,911
16	Other Funds	
17	Rhode Island Capital Plan Funds	
18	Asset Protection	3,750,000
19	Maximum – General Renovations	1,300,000
20	New Gloria McDonald	150,000
21	Dix Building Renovations	750,000
22	ISC Exterior Envelope and HVAC	1,700,000
23	Medium Infrastructure	4,000,000
24	Correctional Facilities Study	250,000
25	Total – Institutional Support	27,722,911
26	<i>Institutional Based Rehab./Population Management</i>	
27	General Revenues	11,599,533
28	Federal Funds	527,398
29	Restricted Receipts	44,023
30	Total – Institutional Based Rehab/Population Mgt.	12,170,954
31	<i>Healthcare Services</i> General Revenues	21,909,573
32	<i>Community Corrections</i>	
33	General Revenues	16,993,141
34	Provided that \$250,000 be allocated to Crossroads Rhode Island for sex offender	

1	discharge planning.	
2	Federal Funds	16,845
3	Restricted Receipts	16,118
4	Total – Community Corrections	17,026,104
5	Grand Total – Corrections	224,790,655
6	Judiciary	
7	<i>Supreme Court</i>	
8	General Revenues	
9	General Revenues	27,510,065
10	Provided however, that no more than \$1,056,438 in combined total shall be offset to the	
11	Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the	
12	Department of Children Youth and Families, and the Department of Public Safety for square-	
13	footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to	
14	the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy	
15	project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be allocated to	
16	Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.	
17	Defense of Indigents	3,784,406
18	Federal Funds	128,933
19	Restricted Receipts	3,076,384
20	Other Funds	
21	Rhode Island Capital Plan Funds	
22	Judicial HVAC	900,000
23	Judicial Complexes Asset Protection	875,000
24	Licht Judicial Complex Restoration	750,000
25	Noel Shelled Courtroom Build Out	3,000,000
26	Total - Supreme Court	40,024,788
27	<i>Judicial Tenure and Discipline</i> General Revenues	124,865
28	Superior Court	
29	General Revenues	22,807,060
30	Federal Funds	51,290
31	Restricted Receipts	371,741
32	Total – Superior Court	23,230,091
33	<i>Family Court</i>	
34	General Revenues	21,495,610

1	Federal Funds	2,770,714
2	Total – Family Court	24,266,324
3	<i>District Court</i>	
4	General Revenues	11,865,905
5	Federal Funds	303,154
6	Restricted Receipts	138,045
7	Total - District Court	12,307,104
8	<i>Traffic Tribunal</i> General Revenues	9,018,180
9	<i>Workers' Compensation Court</i> Restricted Receipts	8,096,017
10	Grand Total – Judiciary	117,067,369
11	Military Staff	
12	General Revenues	2,659,719
13	Federal Funds	17,497,797
14	Restricted Receipts	
15	RI Military Family Relief Fund	300,000
16	Counter Drug Asset Forfeiture	37,300
17	Other Funds	
18	Rhode Island Capital Plan Funds	
19	Armory of Mounted Command Roof Replacement	357,500
20	Asset Protection	700,000
21	Bristol Readiness Center	125,000
22	Joint Force Headquarters Building	1,500,000
23	Grand Total – Military Staff	23,177,316
24	Public Safety	
25	<i>Central Management</i>	
26	General Revenues	1,407,618
27	Federal Funds	5,398,633
28	Total – Central Management	6,806,251
29	<i>E-911 Emergency Telephone System</i> General Revenues	5,699,440
30	<i>State Fire Marshal</i>	
31	General Revenues	3,248,953
32	Federal Funds	425,169
33	Restricted Receipts	195,472
34	Other Funds	

1	Quonset Development Corporation	62,294
2	Rhode Island Capital Plan Funds	
3	Fire Academy	1,215,000
4	Total – State Fire Marshal	5,146,888
5	<i>Security Services</i> General Revenues	23,162,912
6	<i>Municipal Police Training Academy</i>	
7	General Revenues	263,746
8	Federal Funds	222,395
9	Total – Municipal Police Training Academy	486,141
10	<i>State Police</i>	
11	General Revenues	65,659,479
12	Federal Funds	3,246,194
13	Restricted Receipts	4,256,598
14	Other Funds	
15	Lottery Commission Assistance	1,611,348
16	Airport Corporation Assistance	212,221
17	Road Construction Reimbursement	2,934,672
18	Rhode Island Capital Plan Funds	
19	DPS Asset Protection	250,000
20	Wickford Barracks Renovations	500,000
21	Total – State Police	78,670,512
22	Grand Total – Public Safety	119,972,144
23	Emergency Management Agency	
24	General Revenues	1,848,876
25	Federal Funds	20,094,466
26	Restricted Receipts	861,046
27	Other Funds	
28	Rhode Island Capital Plan Funds	
29	Emergency Management Building	189,750
30	RI State Communications Network System	1,000,000
31	Grand Total – Emergency Management	23,994,138
32	Office of Public Defender	
33	General Revenues	11,784,382
34	Federal Funds	112,820

1	Grand Total – Office of Public Defender	11,897,202
2	Environmental Management	
3	<i>Office of the Director</i>	
4	General Revenues	5,165,334
5	Provided that \$200,000 be allocated to the Town of North Providence for its Eliot	
6	Avenue flooding and drainage remediation project.	
7	Restricted Receipts	3,901,548
8	Total – Office of the Director	9,066,882
9	<i>Natural Resources</i>	
10	General Revenues	21,124,014
11	Federal Funds	20,047,496
12	Restricted Receipts	6,121,231
13	Other Funds	
14	DOT Recreational Projects	909,926
15	Blackstone Bikepath Design	2,059,579
16	Transportation MOU	78,350
17	Rhode Island Capital Plan Funds	
18	Dam Repair	1,230,000
19	Fort Adams America’s Cup	1,400,000
20	Recreational Facilities Improvements	3,100,000
21	Galilee Piers Upgrade	250,000
22	Newport Piers	187,500
23	Fish & Wildlife Maintenance Facilities	150,000
24	Blackstone Valley Bike Path	300,000
25	Natural Resources Office/Visitor’s Center	3,500,000
26	Marine Infrastructure/Pier Development	100,000
27	State Recreation Building Demolition	100,000
28	Fort Adams Rehabilitation	300,000
29	Total – Natural Resources	60,958,096
30	<i>Environmental Protection</i>	
31	General Revenues	13,917,429
32	Federal Funds	9,681,296
33	Restricted Receipts	8,959,177
34	Other Funds	

1	Transportation MOU	164,734
2	Total – Environmental Protection	32,722,636
3	Grand Total – Environmental Management	102,747,614
4	Coastal Resources Management Council	
5	General Revenues	2,452,438
6	Federal Funds	4,148,312
7	Restricted Receipts	250,000
8	Other Funds	
9	Rhode Island Capital Plan Funds	
10	South Coast Restoration Project	321,775
11	RI Coastal Storm Risk Study	150,000
12	Grand Total – Coastal Resources Mgmt. Council	7,322,525
13	Transportation	
14	<i>Central Management</i>	
15	Federal Funds	6,610,622
16	Other Funds	
17	Gasoline Tax	2,593,920
18	Total – Central Management	9,204,542
19	<i>Management and Budget</i>	
20	Other Funds – Gasoline Tax	3,009,298
21	<i>Infrastructure Engineering - GARVEE/Motor Fuel Tax Bonds</i>	
22	Federal Funds	
23	Federal Funds	260,384,515
24	Federal Funds – Stimulus	5,414,843
25	Restricted Receipts	180,219
26	Other Funds	
27	Gasoline Tax	72,131,457
28	Land Sale Revenue	2,500,000
29	Rhode Island Capital Funds	
30	RIPTA Land and Buildings	120,000
31	Highway Improvement Program	27,200,000
32	Total - Infrastructure Eng. – Garvee/Motor Fuel Tax Bonds	367,931,034
33	<i>Infrastructure Maintenance</i>	
34	Other Funds	

1	Gasoline Tax	12,846,800
2	Non-Land Surplus Property	50,000
3	Outdoor Advertising	100,000
4	Rhode Island Highway Maintenance Account	79,792,727
5	Rhode Island Capital Plan Funds	
6	Maintenance Facilities Improvements	400,000
7	Salt Storage Facilities	1,000,000
8	Portsmouth Facility	2,273,444
9	Maintenance - Equipment Replacement	1,500,000
10	Train Station Maintenance and Repairs	350,000
11	Total – Infrastructure Maintenance	98,312,971
12	Grand Total – Transportation	478,457,845

13 **Statewide Totals**

14	General Revenues	3,683,715,867
15	Federal Funds	2,957,075,656
16	Restricted Receipts	257,000,390
17	Other Funds	2,040,921,480
18	Statewide Grand Total	8,938,713,393

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

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

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

33 SECTION 5. The general assembly authorizes the state controller to establish the internal
34 service accounts shown below, and no other, to finance and account for the operations of state

1 agencies that provide services to other agencies, institutions and other governmental units on a
 2 cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are
 3 managed in a businesslike manner, promote efficient use of services by making agencies pay the
 4 full costs associated with providing the services, and allocate the costs of central administrative
 5 services across all fund types, so that federal and other non-general fund programs share in the
 6 costs of general government support. The controller is authorized to reimburse these accounts for
 7 the cost of work or services performed for any other department or agency subject to the
 8 following expenditure limitations:

9 Account	Expenditure Limit
10 State Assessed Fringe Benefit Internal Service Fund	41,699,269
11 Administration Central Utilities Internal Service Fund	14,900,975
12 State Central Mail Internal Service Fund	6,190,285
13 State Telecommunications Internal Service Fund	3,017,521
14 State Automotive Fleet Internal Service Fund	12,543,165
15 Surplus Property Internal Service Fund	2,500
16 Health Insurance Internal Service Fund	251,723,462
17 Other Post-Employment Benefits Fund	63,934,483
18 Capitol Police Internal Service Fund	1,172,421
19 Corrections Central Distribution Center Internal Service Fund	7,094,183
20 Correctional Industries Internal Service Fund	7,304,210
21 Secretary of State Record Center Internal Service Fund	907,177

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

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

32 SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby
 33 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
 34 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance

1 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2017.

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

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

9 SECTION 10. Departments and agencies listed below may not exceed the number of full-
10 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
11 not include seasonal or intermittent positions whose scheduled period of employment does not
12 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
13 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
14 individuals engaged in training, the completion of which is a prerequisite of employment.
15 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
16 designee, and the President of the Senate or designee may authorize an adjustment to any
17 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written
18 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A
19 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of
20 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the
21 Senate Fiscal Advisor.

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

25 FY 2017 FTE POSITION AUTHORIZATION

26 <u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
27 Administration	708.7
28 Business Regulation	97.0
29 Executive Office of Commerce	16.0
30 Labor and Training	409.5
31 Revenue	523.5
32 Legislature	298.5
33 Office of the Lieutenant Governor	8.0
34 Office of the Secretary of State	59.0

1	Office of the General Treasurer	88.0
2	Board of Elections	12.0
3	Rhode Island Ethics Commission	12.0
4	Office of the Governor	45.0
5	Commission for Human Rights	14.5
6	Public Utilities Commission	51.0
7	Office of Health and Human Services	179.0
8	Children, Youth, and Families	629.5
9	Health	503.6
10	Human Services	937.1
11	Behavioral Health, Developmental Disabilities, and Hospitals	1,352.4
12	Office of the Child Advocate	6.0
13	Commission on the Deaf and Hard of Hearing	4.0
14	Governor's Commission on Disabilities	4.0
15	Office of the Mental Health Advocate	4.0
16	Elementary and Secondary Education	139.1
17	School for the Deaf	60.0
18	Davies Career and Technical School	126.0
19	Office of Postsecondary Commissioner	27.0
20	Provided that 1.0 of the total authorization would be available only for positions that are	
21	supported by third-party funds.	
22	University of Rhode Island	2,489.5
23	Provided that 573.8 of the total authorization would be available only for positions that	
24	are supported by third-party funds.	
25	Rhode Island College	926.2
26	Provided that 82.0 of the total authorization would be available only for positions that are	
27	supported by third-party funds.	
28	Community College of Rhode Island	854.1
29	Provided that 89.0 of the total authorization would be available only for positions that are	
30	supported by third-party funds.	
31	Rhode Island State Council on the Arts	8.6
32	RI Atomic Energy Commission	8.6
33	Historical Preservation and Heritage Commission	16.6
34	Office of the Attorney General	235.1

1	Corrections	1,423.0
2	Judicial	723.3
3	Military Staff	92.0
4	Public Safety	610.2
5	Office of the Public Defender	93.0
6	Emergency Management Agency	29.0
7	Environmental Management	399.0
8	Coastal Resources Management Council	29.0
9	Transportation	701.0
10	Total	14,952.6

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

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

21		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
22		Ending	Ending	Ending	Ending
23	<u>Project</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
24	DOA – Cannon Building	400,000	250,000	250,000	0
25	DOA – Accessibility Facility Ren.	1,000,000	1,000,000	1,000,000	1,000,000
26	DOA – Pastore Center Rehab	2,500,000	2,120,000	2,500,000	2,500,000
27	DOA – State Office Building	400,000	350,000	1,000,000	1,000,000
28	DOA – Virks Building	3,500,000	0	0	0
29	DOA – Washington County Govern. Ctr.	500,000	500,000	500,000	500,000
30	DOA – William Powers Administration	1,000,000	1,000,000	1,000,000	1,000,000
31	DOA – Zambarano Utilities and Infrs.	3,050,000	1,645,000	1,100,000	1,500,000
32	DOC – Asset Protection	3,750,000	3,750,000	3,750,000	3,750,000
33	EOC – Quonset Piers	2,000,000	2,000,000	5,000,000	5,000,000
34	DLT – Center General Asset Protection	1,130,000	500,000	500,000	0

1	El SEC – Davies School Asset Protection	150,000	150,000	150,000	150,000
2	EL SEC – Davies HVAC	1,101,000	1,398,000	0	0
3	EL SEC – Met School Asset Protection	250,000	250,000	250,000	250,000
4	EL SEC – Met School HVAC	2,340,000	0	0	0
5	Judicial – Asset Protection	950,000	950,000	1,000,000	1,000,000
6	Mil Staff – Joint Force Headquarters				
7	Building	5,000,000	4,100,000	0	0
8	Higher Ed – Asset Protection-CCRI	2,799,063	2,368,035	2,439,076	2,487,857
9	Higher Ed – Knight Campus Renewal	5,000,000	4,000,000	3,000,000	0
10	Higher Ed – Asset Protection-RIC	3,458,431	3,562,184	3,669,050	4,150,000
11	Higher Ed – Asset Protection-URI	8,030,000	8,200,000	8,364,000	8,531,280
12	Higher Ed – URI Shepard Bldg.				
13	Upgrades	395,000	500,000	2,000,000	2,000,000
14	Higher Ed-RIC Infrs.				
15	Modernization	4,500,000	4,500,000	3,600,000	3,500,000
16	DPS Consolidated Training Academy	4,000,000	3,100,000	2,650,000	0
17	DPS – Asset Protection	250,000	250,000	250,000	250,000
18	DEM – Dam Repairs	1,250,000	1,500,000	1,250,000	1,000,000
19	DEM – Galilee Piers	1,250,000	1,250,000	400,000	0
20	DEM – Recreational Facility Improv.	2,200,000	1,000,000	1,850,000	2,100,000
21	DOT – Highway Improvements	27,200,000	27,200,000	27,200,000	27,200,000
22	DOT – Maintenance – Capital Equip.	2,500,000	2,500,000	2,500,000	2,500,000

23 SECTION 12. Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.
24 – Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project
25 appropriations may be reappropriated at the recommendation of the Governor in the ensuing
26 fiscal year and made available for the same purpose. However, any such reappropriations are
27 subject to final approval by the General Assembly as part of the supplemental appropriations act.
28 Any unexpended funds of less than five hundred dollars (\$500) shall be reappropriated at the
29 discretion of the State Budget Officer.

30 SECTION 13. For the Fiscal Year ending June 30, 2017, the Rhode Island Housing and
31 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in
32 support of the Neighborhood Opportunities Program. The Corporation shall provide a report
33 detailing the amount of funding provided to this program, as well as information on the number
34 of units of housing provided as a result to the Director of Administration, the Chair of the

1 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the
2 Senate Finance Committee and the State Budget Officer.

3 SECTION 14. No funds appropriated through this act to any nonprofit organization shall
4 be used by the recipient to pay for lobbying, as defined in §22-10-2 (3), or to pay for, directly or
5 indirectly, any compensation to a member of the General Assembly.

6 SECTION 15. This article shall take effect as of July 1, 2016.

ARTICLE 2 AS AMENDED

RELATING TO PUBLIC FINANCE MANAGEMENT BOARD

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

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

(1) To advise and assist all state departments, municipal and regional authorities, agencies, boards, commissions, ~~and~~ public and quasi-public corporations, and fire districts and other special districts having authority to issue revenue or general obligation bonds or GARVEE bonds or notes or other various types of conduit debt or enter into financing leases with respect to issuance of and financial planning related to all those bonds, leases, and notes;

(2) ~~Upon request, t~~To advise and/or assist any city or town and any municipal or regional agency, authority, board, commission, ~~or~~ public or quasi-public corporations, or fire districts or other special districts having authority to issue revenue or general obligation bonds or GARVEE bonds or notes or other various types of conduit debt or enter into financing leases with respect to the issuance and financial planning related to those bonds, leases, and notes;

(3) To collect, maintain, and provide information on all state, municipal and regional authority, agency, board, commission, public or quasi-public corporation, and fire district and other special district debt authorization, sold and outstanding, and serve as a statistical center for all state and municipal debt issues;

(4) To maintain contact with state, municipal and regional authority, agency, board, commission, public or quasi-public corporation, fire district and other special district bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues;

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

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

(7) To annually ascertain the total amount of state, regional, municipal, and public and quasi-public corporation debt authorized, sold and unsold.

(8) To oversee the undertaking of a debt affordability study no less frequently than every

1 two (2) years, which shall include recommended limits for the debt capacity of each state,
2 municipal and regional authority, agency, board, commission, public and quasi-public corporation
3 and fire district and other special district having authority to issue revenue or general obligation
4 bonds or GARVEE bonds or notes or other types of conduit debt or enter into financing leases.

5 **42-10.1-4. Notice of debt issue to board.** -- (a) Each state, municipal and regional
6 department, authority, agency, board, commission, ~~and~~ public and quasi-public corporation, and
7 fire district and other special district having authority to issue revenue or general obligation bonds
8 or GARVEE bonds or notes or other various types of conduit debt shall, no later than thirty (30)
9 days prior to the sale of any such debt issue at public or private sale, give written notice of the
10 proposed sale to the board; and each such issuer shall, within thirty (30) days after closing, submit
11 to the board a report of final sale.

12 (b) The notice of proposed debt shall include one proposed sale date, the name of the
13 issuer, the nature of the debt issue, and the estimated principal amount thereof, and such further
14 information as may be required by rule of the board and shall be delivered in accordance with
15 procedures to be established by rule of the board; and the notice of final sale shall be made on a
16 form approved by the board and contain all of the information requested on said form. Any issuer
17 which fails to submit the report of proposed debt or report of final sale by the appropriate
18 deadline may be subject to a per diem fine of two hundred fifty dollars (\$250), which shall be
19 collected and enforced by the Office of the General Treasurer.

20 (c) Each state, municipal and regional authority, agency, board, commission, public and
21 quasi-public corporation, and fire district and other special district having authority to issue
22 revenue or general obligation bonds or GARVEE bonds or notes or various types of conduit debt
23 or enter into financing leases shall provide annually, within ninety (90) days after the end of each
24 fiscal year, the following information for each outstanding debt incurred as of the end of such
25 year:

- 26 (1) the principal amount of the issue outstanding;
- 27 (2) the amount of proceeds of the issue that remains unspent;
- 28 (3) the amount of debt authorized by the bond act or other appropriate authorization
29 relevant to the issue that remains authorized but unissued; and
- 30 (4) a list of the purposes for which the debt has been issued and the amounts expended
31 for each purpose in the prior fiscal year from the proceeds of the issue.

32 ~~(e)~~(d) Failure of delivery of the above notice or of the time or efficiency thereof shall not
33 affect the validity of the issuance of any debt, ~~bond or note~~ bonds, notes or leases.

34 ~~(d)~~(e) The board shall submit a report annually on or before September 30th of each year

1 to the director of administration, the speaker of the house, the chairman of the house finance
2 committee, the president of the senate, the chairman of the senate finance committee, and the
3 auditor general on debt issues by cities and towns and other authorities, agencies, boards,
4 commissions, public and quasi-public corporations, fire districts, and other special districts
5 subject to the provision of chapter 45-12, which report shall include the information set forth in
6 division (b) of this section and shall be for the notices of debt issues received during the state's
7 fiscal year next preceding. An electronic transmission of the report shall be considered an
8 acceptable submission.

9 SECTION 2. Chapter 42-10.1 of the General Laws entitled "Public Finance Management
10 Board" is hereby amended by adding thereto the following sections:

11 **42-10.1-9. Report of debt affordability and targets.** -- (a) The board shall compile and
12 publish annually the total amount of public state, regional, municipal, and public and quasi-public
13 corporation debt authorized, sold and unsold.

14 (b) No less frequently than every two (2) years, the board shall oversee the undertaking of
15 a debt affordability study, which shall include recommended limits for the debt capacity of each
16 state, municipal and regional authority, agency, board, commission, public and quasi-public
17 corporation and fire district and other special district having authority to issue revenue or general
18 obligation bonds or GARVEE bonds or notes or other various types of conduit debt or enter into
19 financing leases.

20 **42-10.1-10. Public finance management board advisory opinions.** -- The board shall
21 have the authority to offer non-binding, advisory opinions on all aspects of debt management
22 practices of state, municipal, and public and quasi-public corporations.

23 SECTION 3. This article shall take effect as of January 1, 2017.

ARTICLE 3 AS AMENDED

RELATING TO MAKING IT EASIER TO DO BUSINESS IN RHODE ISLAND

SECTION 1. Section 28-43-8 of the General Laws in Chapter 28-43 entitled “Employment Security – Contributions” is hereby amended to read as follows:

28-43-8. Experience rates – Tables. -- (a)(1) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date, the amount in the employment security fund available for benefits is six and four tenths percent (6.4%) or more of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule A in this subsection.

(2) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date, the amount in the employment security fund available for benefits is ~~six and one-tenth percent (6.1%)~~ five and five-tenths percent (5.5%) but less than six and four-tenths (6.4%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule B in this subsection.

(3) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the amount in the employment security fund available for benefits is ~~five and eight-tenths percent (5.8%)~~ four and seventy-five hundredths percent (4.75%) but less than ~~six and one-tenth (6.1%)~~ five and five-tenths percent (5.5%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule C in this subsection.

(4) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the amount in the employment security fund available for benefits is ~~five and three-tenths percent (5.3%)~~ four percent (4.0%) but less than ~~five and eight-tenths (5.8%)~~ four and seventy-five hundredths percent (4.75%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule D in this subsection.

(5) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the amount in the employment security fund available for benefits is ~~four and seven-tenths percent (4.7%)~~ three and twenty-five hundredths percent (3.25%) but less than ~~five and three-tenths (5.3%)~~ four percent (4.0%) of total payrolls as determined in § 28-43-1(9), an experience rate for

1 each eligible employer for the immediately following calendar year shall be determined in
2 accordance with schedule E in this subsection.

3 (6) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
4 amount in the employment security fund available for benefits is ~~three and six tenths percent~~
5 ~~(3.6%)~~ two and five tenths percent (2.5%) but less than ~~four and seven tenths (4.7%)~~ three and
6 twenty-five hundredths percent (3.25%) of total payrolls as determined in § 28-43-1(9), an
7 experience rate for each eligible employer for the immediately following calendar year shall be
8 determined in accordance with schedule F in this subsection.

9 (7) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
10 amount in the employment security fund available for benefits is ~~three percent (3%)~~ one and
11 seventy-five hundredths percent (1.75%) but less than ~~three and six tenths (3.6%)~~ two and five-
12 tenths percent (2.5%) of total payrolls as determined in § 28-43-1(9), an experience rate for each
13 eligible employer for the immediately following calendar year shall be determined in accordance
14 with schedule G in this subsection.

15 (8) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
16 amount in the employment security fund available for benefits is ~~two and seventy five hundredths~~
17 ~~percent (2.75%)~~ one percent (1.0%) but less than ~~three percent (3%)~~ one and seventy-five
18 hundredths percent (1.75%) of total payrolls as determined in § 28-43-1(9), an experience rate for
19 each eligible employer for the immediately following calendar year shall be determined in
20 accordance with schedule H in this subsection.

21 (9) Whenever, as of September 30, ~~1987~~ 2016, or any subsequent computation date the
22 amount in the employment security fund available for benefits is less than ~~two and seventy five~~
23 ~~hundredths percent (2.75%)~~ one percent (1.0%) of total payrolls as determined in § 28-43-1(9), an
24 experience rate for each eligible employer for the immediately following calendar year shall be
25 determined in accordance with schedule I in this subsection.

26 [See Tax Schedules]

27 (10) [Deleted by P.L. 2010, ch. 23, art. 22, § 3].

28 (b) The contribution rate for each employer for a given calendar year shall be determined
29 and the employer notified of it not later than April 1 next succeeding each computation date. That
30 determination shall be binding unless an appeal is taken in accordance with provisions of § 28-
31 43-13.

32 SECTION 2. Chapter 28-39 of the General Laws entitled “Temporary Disability
33 Insurance – General Provisions” is hereby amended by adding thereto the following section:

34 **28-39-41. Task Force.** -- (a) There is hereby established a task force on temporary

1 disability insurance fraud and program integrity. The task force shall consist of the following
2 members or their designees:

3 (1) the director of labor and training or designee;

4 (2) the secretary of health and human services or designee;

5 (3) the director of health or designee;

6 (4) the director of office of management and budget or designee; and

7 (5) the attorney general or designee.

8 The director of labor and training shall chair the task force.

9 (b) The task force shall coordinate joint efforts to combat fraud and abuse in the
10 temporary disability insurance program. The task force shall:

11 (1) Foster appropriate use of the program by both claimants and qualified healthcare
12 providers by educating them about the intent of the program, the benefits provided, acceptable
13 use of benefits and applicable requirements;

14 (2) Protect the integrity of the temporary disability insurance fund by performing joint
15 investigations into fraudulent activities; and

16 (3) Employ best practices as established by other insurance programs both public and
17 private to ensure program goals and objectives are aimed at providing efficient and effective
18 services to all customers.

19 (c) Notwithstanding and other law or regulation to the contrary, the task force shall
20 facilitate timely information sharing between and among task force members, including the
21 establishment of protocols by which participating agencies will advise or refer to other agencies
22 matters of potential interest.

23 SECTION 3. Sections 28-41-11 and 28-41-15 of the General Laws in Chapter 28-41
24 entitled "Temporary Disability Insurance – Benefits" are hereby amended to read as follows:

25 **28-41-15. Filing of claims – Restriction on waiting period credit or benefits – Copies**
26 **of law and regulations.** -- (a) Benefit claims shall be filed pursuant to prescribed regulations.

27 (b) No individual shall be eligible for ~~waiting period credits or~~ benefits under this title for
28 any week of unemployment due to sickness which occurs more than ~~fifty two (52) weeks~~ ninety
29 (90) days prior to the time when written notice of his or her claim for ~~waiting period credits or~~
30 benefits is mailed or delivered to the department of labor and training or such other agency as the
31 director may designate. Notwithstanding the above, the director may extend the claim filing
32 period up to twenty-six (26) weeks if the individual can show a good medical reason for the delay
33 in filing the claim for benefits.

34 (c) Each employer shall post and maintain printed statements of subsection (b) of this

1 section and of those regulations, in places readily accessible to individuals in his or her service.
2 Those printed statements shall be supplied by the director to each employer without cost to that
3 employer.

4 (d) Upon the filing of a claim, the director shall promptly mail a notice of the filing of the
5 claim to the claimant's most recent employer and to all employers for whom the claimant states
6 he or she performed services and earned wages during his or her base period. The employers shall
7 promptly furnish the information required to determine the claimant's benefit rights. If the
8 claimant's employer or employers have any information which might affect either the validity of
9 the claim or the right of the claimant to waiting period credit or benefits, the employer shall return
10 the notice with this information. Notwithstanding any inconsistent provisions of chapters 39 – 41
11 of this title, any employer who fails without good cause as established to the satisfaction of the
12 director to return the notice within seven (7) working days of its mailing shall pay a penalty of
13 twenty-five dollars (\$25.00) for each failure. This penalty shall be paid into the temporary
14 disability insurance reserve fund and if any employer fails to pay the penalty, when assessed, it
15 shall be collected by civil action as provided in § 28-40-12.

16 SECTION 4. Section 1 shall take effect as of September 30, 2016. Sections 2 and 3 shall
17 take effect as of January 1, 2017.

TAX SCHEDULES

Employers Account	Schedule A	Schedule B	Schedule C	Schedule D	Schedule E	Schedule F	Schedule G	Schedule H	Schedule I	
Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	
Percent	Ratio of Fund	Ratio of Fund	Ratio of Fund	Ratio of Fund	Ratio of Fund	Ratio of Fund	Ratio of Fund	Ratio of Fund	Ratio of Fund	
	6.4%	6.1%	5.8%	5.3%	4.7%	3.6%	3.0%	2.75%	under	
	or more	<u>5.5%</u>	<u>4.75%</u>	<u>4.0%</u>	<u>3.25%</u>	<u>2.5%</u>	<u>1.75%</u>	<u>1.0%</u>	2.75%	
		but less than	but less than	but less than	but less than	but less than	but less than	but less than	<u>1.0%</u>	
		6.4%	6.1%	5.8%	5.3%	4.7%	3.6%	3.0%		
			<u>5.5%</u>	<u>4.75%</u>	<u>4.0%</u>	<u>3.25%</u>	<u>2.5%</u>	<u>1.75%</u>		
POSITIVE PERCENTAGES										
<u>21.50 and over</u>	<u>0.21</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	
<u>20.00 to 21.49</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.2</u>	<u>1.3</u>	<u>1.5</u>	
<u>18.50 to 19.99</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.1</u>	<u>1.4</u>	<u>1.5</u>	<u>1.8</u>	
17.00 and over <u>to 18.49</u>	0.6	0.7	0.8	0.9	1.0	1.2	1.5	1.7	1.9 <u>2.1</u>	
15.50 to 16.99	0.8	0.9	1.0	1.1	1.3	1.5	1.8	2.1 <u>1.9</u>	2.3 <u>2.4</u>	
14.00 to 15.49	0.9	1.0	1.2	1.3	1.5	1.7	2.0	2.3 <u>2.1</u>	2.6 <u>2.7</u>	
12.50 to 13.99	1.1	1.2	1.4	1.5	1.7	2.0	2.3	2.6 <u>2.4</u>	2.9 <u>3.0</u>	
11.00 to 12.49	1.3	1.4	1.6	1.7	1.9	2.2	2.5	2.8 <u>2.7</u>	3.1 <u>3.3</u>	
9.50 to 10.99	1.5	1.7	1.8	1.9	2.1	2.4	2.7	3.0 <u>2.9</u>	3.3 <u>3.5</u>	
8.00 to 9.49	1.7	1.9	2.0	2.2	2.4	2.7	2.9	3.2 <u>3.1</u>	3.5 <u>3.7</u>	
6.50 to 7.99	1.9	2.1	2.3	2.5	2.6	2.9	3.1	3.4 <u>3.3</u>	3.7 <u>3.9</u>	
5.00 to 6.49	2.1	2.3	2.5	2.7	2.8	3.1	3.4	3.6	3.9 <u>4.1</u>	
3.50 to 4.99	2.3	2.5	2.7	2.9	3.0 <u>3.1</u>	3.3	3.7	3.9	4.2 <u>4.3</u>	
2.00 to 3.49	2.5 <u>2.6</u>	2.7 <u>2.8</u>	2.9 <u>3.0</u>	3.2	3.3 <u>3.5</u>	3.6 <u>3.7</u>	3.9 <u>4.0</u>	4.2	4.5 <u>4.6</u>	
0.00 to 1.99	2.7 <u>3.0</u>	3.0 <u>3.2</u>	3.2 <u>3.4</u>	3.4 <u>3.6</u>	3.6 <u>3.9</u>	3.9 <u>4.2</u>	4.2 <u>4.4</u>	4.5	4.8 <u>4.9</u>	
NEGATIVE PERCENTAGES										
- 0.01 to -1.99	3.0 <u>3.3</u>	3.3 <u>3.5</u>	3.5 <u>3.8</u>	3.8 <u>4.2</u>	4.2 <u>4.5</u>	4.5 <u>4.8</u>	4.8 <u>5.0</u>	5.1	5.4 <u>5.5</u>	
- 2.00 to - 3.99	3.3 <u>3.5</u>	3.5 <u>3.8</u>	3.8 <u>4.1</u>	4.1 <u>4.5</u>	4.5 <u>4.8</u>	4.8 <u>5.1</u>	5.1 <u>5.3</u>	5.4	5.7 <u>5.8</u>	
- 4.00 to - 5.99	3.6 <u>3.8</u>	3.8 <u>4.1</u>	4.1 <u>4.4</u>	4.4 <u>4.8</u>	4.8 <u>5.1</u>	5.1 <u>5.4</u>	5.4 <u>5.7</u>	5.8	6.0 <u>6.1</u>	
- 6.00 to - 7.99	3.9 <u>4.1</u>	4.1 <u>4.4</u>	4.4 <u>4.7</u>	4.7 <u>5.1</u>	5.1 <u>5.4</u>	5.4 <u>5.8</u>	5.8 <u>6.1</u>	6.2	6.4 <u>6.5</u>	
- 8.00 to - 9.99	4.2 <u>4.4</u>	4.4 <u>4.7</u>	4.7 <u>5.0</u>	5.0 <u>5.4</u>	5.4 <u>5.8</u>	5.8 <u>6.2</u>	6.2 <u>6.5</u>	6.6	6.8 <u>6.9</u>	
-10.00 to -11.99	4.5 <u>4.7</u>	4.7 <u>5.0</u>	5.0 <u>5.4</u>	5.4 <u>5.8</u>	5.8 <u>6.2</u>	6.2 <u>6.6</u>	6.6 <u>6.9</u>	7.0	7.2 <u>7.3</u>	
-12.00 to -13.99	4.8 <u>5.0</u>	5.0 <u>5.4</u>	5.4 <u>5.8</u>	5.8 <u>6.2</u>	6.2 <u>6.6</u>	6.6 <u>7.0</u>	7.0 <u>7.3</u>	7.4	7.6 <u>7.7</u>	
-14.00 to -15.99	5.1 <u>5.4</u>	5.4 <u>5.8</u>	5.8 <u>6.2</u>	6.2 <u>6.6</u>	6.6 <u>7.0</u>	7.0 <u>7.4</u>	7.4 <u>7.7</u>	7.8	8.0 <u>8.1</u>	
-16.00 to -17.99	5.4 <u>5.8</u>	5.8 <u>6.2</u>	6.2 <u>6.6</u>	6.6 <u>7.0</u>	7.0 <u>7.4</u>	7.4 <u>7.8</u>	7.8 <u>8.1</u>	8.2	8.4 <u>8.5</u>	
-18.00 to -19.99	5.8 <u>6.2</u>	6.2 <u>6.6</u>	6.6 <u>7.0</u>	7.0 <u>7.4</u>	7.4 <u>7.8</u>	7.8 <u>8.2</u>	8.2 <u>8.5</u>	8.6	8.8 <u>8.9</u>	
-20.00 to -21.99	6.2 <u>6.6</u>	6.6 <u>7.0</u>	7.0 <u>7.4</u>	7.4 <u>7.8</u>	7.8 <u>8.2</u>	8.2 <u>8.6</u>	8.6 <u>8.9</u>	9.0	9.2 <u>9.3</u>	
-22.00 to -23.99	6.6 <u>7.0</u>	7.0 <u>7.4</u>	7.4 <u>7.8</u>	7.8 <u>8.2</u>	8.2 <u>8.6</u>	8.6 <u>9.0</u>	9.0 <u>9.3</u>	9.4	9.6 <u>9.7</u>	
-24.00 and over	7.0 <u>7.4</u>	7.4 <u>7.8</u>	7.8 <u>8.2</u>	8.2 <u>8.6</u>	8.6 <u>9.0</u>	9.0 <u>9.4</u>	9.4 <u>9.7</u>	9.8	10.0	

ARTICLE 4 AS AMENDED

RELATING TO GOVERNMENT ORGANIZATION

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

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

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

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

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

(c) Of the candidates considered for appointment by the governor and the general

1 assembly, the governor and the general assembly shall give due consideration to
2 recommendations made by representatives of Rhode Island's minority community based
3 organizations, ~~through the Rhode Island Affirmative Action Professionals (RIAAP)~~. The human
4 resources outreach and diversity office shall act as the ~~RIAAP's~~ liaison with state government and
5 shall forward the recommendations to appointing authorities.

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

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

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

22 (2) The office of personnel administration shall:

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

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

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

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

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

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

3 (c) There is created a ~~five (5)~~ six (6) member committee which shall monitor negotiations
4 with all collective bargaining units within state government specifically for equal opportunity and
5 affirmative action interests. The members of that committee shall include the director of the
6 Rhode Island commission for human rights, the associate director of the office of diversity, equity
7 and opportunity, the equal opportunity administrator, the personnel administrator, one member of
8 the house of representatives appointed by the speaker, and one member of the senate appointed by
9 the president of the senate.

10 SECTION 2. Chapter 42-11 of the General Laws entitled "Department of
11 Administration" is hereby amended by adding thereto the following section:

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

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

24 (c) ODEO shall have the following duties and responsibilities:

25 (1) Develop, administer, implement, and maintain a statewide diversity plan and
26 program, including an equity, equal opportunity, minority business enterprise, and supplier
27 diversity program, as well as other related plans and programs within the office;

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

32 (3) Support the growth and development of the state's minority business enterprise
33 program by engaging in concerted outreach programs to build relationships, maintaining effective
34 programs to promote minority business enterprise utilization and facilitating minority business

1 enterprise in State procurement activities;

2 (4) Develop, coordinate and oversee the recruitment, selection, and retention efforts and
3 initiatives to promote and achieve the state's diversity goals and objectives, developing and
4 recommending recruitment strategies, and assisting with special recruitment efforts directed
5 toward ethnic minorities, women and other underrepresented groups; and

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

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

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

13 **29-3.1-1. Office of library and information services.** -- Within the department of
14 administration, division of enterprise technology strategy and services, there shall be an office of
15 library and information services under the direction of a chief of library services who shall be
16 appointed by the director of administration and supervised by the chief digital information officer.
17 The office is hereby empowered to cooperate with the institute of museum and library services of
18 the United States of America in the carrying out of the purposes of any and all acts of congress
19 for the benefit of library and information services within this state. The office is hereby
20 designated as the agency for the administration of any plan or plans heretofore or hereafter
21 formulated in conformity with any act or acts of congress and is authorized to administer any
22 such plan or plans and to enter into such agreements with the institute of museum and library
23 services of the United States of America as may be from time to time required under this chapter
24 or any acts or act of congress, and from time to time amend any plan or plans, except any plan, or
25 plans, or agreements, formulated or entered into or to be administered by the board of regents,
26 board of governors, or the secretary of state.

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

1 the appointment of the several officers and employees of the office, it shall be the duty of the
2 chief of library services:

3 (1) To develop a systematic program of information gathering, processing, and analysis
4 addressed to every aspect of public library development and interlibrary cooperation and resource
5 sharing in this state, especially as that information relates to current and future library and
6 information service needs, so that current needs may be met with reasonable promptness and
7 plans formulated to meet future needs as they arise in the most efficient and economical manner
8 possible;

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

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

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

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

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

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

24 (8) To supervise the following functions:

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

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

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

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

33 (v) To interpret library law;

34 (vi) To give assistance, advice, and counsel to public libraries and to participants in

1 interlibrary cooperation and resource sharing activities;

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

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

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

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

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

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

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

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

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

29 (1) Manage the implementation of all new and mission critical technology infrastructure
30 projects and upgrades for state agencies. The division of ~~information-technology~~ enterprise
31 technology strategy and services established pursuant to ~~executive order 04-06~~ § 42-11-2.8 shall
32 continue to manage and support all day-to-day operations of the state's technology infrastructure,
33 telecommunications, and associated applications;

34 (2) Increase the number of government services that can be provided online in order to

1 allow residents and businesses to complete transactions in a more efficient and transparent
2 manner;

3 (3) Improve the state's websites to provide timely information to online users and as
4 many government services as possible online; and

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

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

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

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

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

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

23 **42-11-2.8. Division of enterprise technology strategy and services established. -- (a)**
24 Established. Within the department there shall be established the division of enterprise
25 technology strategy and service (ETSS), which shall include the office of information technology,
26 the office of digital excellence (ODE), and the office of library and information services (OLIS).
27 Within ETSS, there shall be a chief digital officer in the unclassified service who shall oversee
28 and manage the division and shall be appointed by the director of administration. Any prior
29 reference in statute to the division of information technology shall now mean ETSS. The chief
30 digital officer shall supervise the state's chief information officer, chief technology officer, chief
31 information security officer, the directors of information technology and all associated
32 employees. The chief digital officer may promulgate rules and regulations in order to effectuate
33 the purposes and requirements of this act.

34 (b) Purposes; duties. The purposes of ETSS shall be to align existing and future

1 technology platforms, along with technical expertise across the agencies of the executive branch.
2 ETSS shall be responsible for managing and consolidating the strategy and budgets of the
3 division, including the office of information technology, the office of library and information
4 services and the office of digital excellence, and the information technology investment fund. The
5 focus of ETSS will be to lead the strategic technology decisions and efforts across all of the
6 executive branch state agencies, identify opportunities to implement technology solutions across
7 state agencies to prevent duplication of systems and effort, as well as effectively support these
8 solutions in an efficient manner. ETSS shall have the following duties:

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

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

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

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

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

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

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

31 **42-11-2.9. Division of capital asset management and maintenance established. -- (a)**
32 **Establishment. Within the department of administration there shall be established the division of**
33 **capital asset management and maintenance ("DCAMM"). Any prior references to the division of**
34 **facilities management and/or capital projects, if any, shall now mean DCAMM. Within the**

1 DCAMM there shall be a director of DCAMM who shall be in the classified service and shall
2 appointed by the director of administration. The director of DCAMM shall have the following
3 responsibilities:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 duties:

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

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

4 property;

5 (iii) Capital equipment replacement;

6 (iv) Security of state property and facilities unless otherwise provided by law;

7 (v) Ensuring Americans with Disabilities Act (ADA) compliance;

8 (vi) Responding to facilities emergencies;

9 (vii) Managing traffic flow on state property;

10 (viii) Grounds keeping/landscaping/snow removal services;

11 (ix) Maintenance and protection of artwork and historic artifacts

12 (4) To manage and oversee state fleet operations

13 (d) All state agencies shall participate in a statewide database and/or information system

14 for capital assets, which shall be established and maintained by DCAMM.

15 (e) Offices and boards assigned to DCAMM. DCAMM shall oversee the following

16 boards, offices and functions:

17 (1) Office of planning, design, and construction (PDC);

18 (2) Office of facilities management and maintenance (OFMM);

19 (3) Contractors' registration and licensing board (§ 5-35-1 et seq.);

20 (4) State building code (§ 23-27.3-1 et seq.)

21 (5) Office of risk management (§ 37-11-1 et seq.)

22 (6) Fire safety code board of appeal and review (§ 23-28.3-1 et seq.)

23 (7) Office of state fleet operations (§ 42-11-2.4(d))

24 (f) The boards, offices and functions assigned to DCAMM shall:

25 (1) Exercise their respective powers and duties in accordance with their statutory

26 authority and the general policy established by the director of DCAMM or in accordance with the

27 powers and authorities conferred upon the director of DCAMM by this section;

28 (2) Provide such assistance or resources as may be requested or required by the director

29 of DCAMM or the director of administration;

30 (3) Provide such records and information as may be requested or required by the director

31 of DCAMM or the director of administration; and,

32 (4) Except as provided herein, no provision of this chapter or application thereof shall be

33 construed to limit or otherwise restrict the offices stated above from fulfilling any statutory

34 requirement or complying with any valid rule or regulation.

1 SECTION 7. Sections 35-1.1-2 and 35-1.1-4 of the General Laws in Chapter 35-1.1
2 entitled "Office of Management and Budget" are hereby amended to read as follows:

3 **35-1.1-2. Establishment of the office of management and budget.** -- There is hereby
4 established within the department of administration an office of management and budget. This
5 office shall serve as the principal agency of the executive branch of state government for
6 managing budgetary functions, performance management, [internal audit](#) and federal grants
7 management. In this capacity, the office shall:

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

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

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

15 (4) Coordinate the budget functions of the state with performance management
16 objectives;

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

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

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

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

1 (1) Exercise their respective powers and duties in accordance with their statutory
2 authority and the general policy established by the governor or by the director acting on behalf of
3 the governor or in accordance with the powers and authorities conferred upon the director by this
4 chapter;

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

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

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

14 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
15 Laws in Chapter 35-7 entitled "Post Audit of Accounts" are hereby repealed.

16 ~~35-7-1. Bureau of audits. -- The director of administration shall create a bureau of audits
17 which shall conduct all audits required by any department.~~

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

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

34 ~~(c) The bureau of audits shall maintain a full record of each audit. In the event that~~

1 ~~information gathered as a result of an audit indicates that criminal activity may have occurred, the~~
2 ~~chief of the bureau of audits may provide such information to a state or federal law enforcement~~
3 ~~agency. For any such information that is otherwise exempt from public disclosure under the~~
4 ~~provisions of Rhode Island general law § 38-2-1 et seq., the provision of such information to a~~
5 ~~law enforcement agency shall not therefore require that this information be further disclosed.~~

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

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

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

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

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

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

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

1 ~~**35-7-5.1. Management advisory and consulting services provided to state agencies**~~
2 ~~**and departments.**~~ -- When requested in writing by the head of a state department or agency to
3 the director of administration, the bureau of audits may provide management advisory or
4 consulting services to the department or agency. Any such request must include the scope of
5 services requested and a schedule for the work to be performed.

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

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

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

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

31 (c) The ~~bureau of audit's~~ office of internal audit's findings shall be deemed public records
32 and available for public inspection; provided, however, in the event the review indicates a
33 computer system is vulnerable, or security over the system is otherwise deficient, reasonably
34 segregable portions of the findings shall be subject to public inspection after the redaction of any

1 information the disclosure of which would endanger the security of the system or reveal the
2 specific nature of the vulnerabilities found. Notwithstanding any other provision of law to the
3 contrary, the work papers developed in connection with the review of computer systems and the
4 security over those systems authorized by this section shall not be deemed public records and are
5 not subject to disclosure.

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

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

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

14 CHAPTER 7.1
15 THE OFFICE OF INTERNAL AUDIT

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

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

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

34 (d) Purposes and scope. The office of internal audit is authorized to conduct audits of any

1 state department, state agency, or private entity that is a recipient of state funding or state grants.
2 In addition, the office of internal audit is authorized, but not limited to, evaluating the efficiency
3 of operations and internal controls, preventing and detecting fraud, waste, abuse or
4 mismanagement in the expenditure of public funds, whether federal, state, or local, which are
5 related to any and all state programs and operations as well as the procurement of any goods,
6 services, or construction, by public bodies. As deemed necessary or expedient by the office of
7 internal audit, audits may be made relative to the financial affairs or the economy and efficiency
8 of management of each department, agency or public body. The office of internal audit shall
9 determine which such audits shall be performed in accordance with a risk-based evaluation.

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

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

29 (b) The person or persons with legal authority for any public body may request the
30 assistance of the office of internal audit. Any such request must include the scope of services
31 requested and the work to be performed. In such events the chief, with the approval of the
32 director of management and budget, may assign personnel to conduct, supervise or coordinate
33 such activity as deemed necessary and appropriate to perform his/her duties in a diligent and
34 prudent manner. The expenses for any such assistance requested by the public body shall be

1 reimbursed by the public body to the office of internal audit. The chief may recommend policies
2 for the conduct, supervision or coordination of relationship, between state and other state, local
3 governmental agencies as well as federal governmental agencies and nongovernmental entities
4 with respect to all matters relating to the prevention and detection of fraud, waste, abuse or
5 mismanagement in or relating to any and all programs and activities of the state of Rhode Island.

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

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

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

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

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

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

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

34 **35-7.1-5. Persons authorized to conduct audits – Reports of irregularities. --** Any

1 qualified person duly authorized by the director of management and budget to act as auditor may
2 examine the books, papers, and documents of any public body having control of state or federal
3 funds, and if the audit discloses any irregularities or improper handling of records or funds, the
4 auditor shall report the same to the chief who shall in turn report such findings and
5 recommendations to the director of management and budget, who shall further report to the
6 director of administration.

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

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

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

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

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

1 operations of public bodies.

2 (b) The chief shall not, after receipt of a complaint or information from an employee,
3 contractor or private citizen who requests confidentiality, disclose the identity of that individual,
4 without the written consent of said individual, unless the chief determines such disclosure is
5 necessary and unavoidable during the course of an investigation. In such event, the individual
6 filing the complaint shall be notified if possible immediately of such disclosure.

7 (c) Employees are protected under the chapter 50 of title 28 "Rhode Island
8 Whistleblowers Protection Act."

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

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

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

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

1 internal audit which would improve the effectiveness or the operations of the office.

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

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

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

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

20 **42-13-2. Organization and functions of the department.** -- (a) The department shall be
21 organized in accordance with a project management-based program and shall utilize an asset
22 management system.

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

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

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

1 following functions:

2 (i) Completing a comprehensive inventory of system assets;

3 (ii) Monitoring system performance; and

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

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

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

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

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

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

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

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

3 (c) Each quasi-public corporation shall be responsible for costs associated with its own
4 audit. The chief and each quasi-public corporation shall agree upon reasonable costs for the audit,
5 not to exceed seventy-five thousand dollars (\$75,000), that shall be remitted to the ~~bureau of~~
6 ~~audits~~ office of internal audit.

7 (d) The results of the audit shall be made public upon completion and posted on the
8 websites of the ~~bureau of audits~~ office of internal audit and the quasi-public corporation.

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

13 SECTION 13. Section 42-12-1.4 of the General Laws in Chapter 42-12 entitled
14 "Department of Human Services" is hereby repealed:

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

19 SECTION 14. Section 42-18-5 of the General Laws in Chapter 42-18 entitled
20 "Department of Health" is hereby amended to read as follows:

21 ~~**42-18-5. Transfer of powers and functions from department of health. --**~~ (a) There
22 are hereby transferred to the department of administration:

23 (1) Those functions of the department of health which were administered through or with
24 respect to departmental programs in the performance of strategic planning as defined in § 42-11-
25 10(c);

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

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

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

1 ~~(e)~~(b) There is hereby transferred to the executive office of health and human services the
2 HIV/AIDS care and treatment programs and all functions and resources associated therewith. The
3 department of health shall retain the HIV surveillance and prevention programs and all functions
4 and resources associated therewith.

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

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

12 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,
13 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-
14 17.1 entitled "Veterans' Affairs" are hereby amended to read as follows:

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

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

33 **30-17.1-3. Oath of officials – Bonds.** -- All officials appointed under the provisions of
34 this chapter or chapter 24 of this title shall be duly sworn to the faithful performance of their

1 duties. The director of ~~human services~~ veterans' affairs may, in the director's discretion, require of
2 all officials subordinate to the director, bonds for the faithful performance of their duties.

3 **30-17.1-4. Veterans' claims assistance.** -- Upon request, the director of ~~the department~~
4 ~~of human services~~ veterans' affairs, or his or her designee, shall, in accordance with the applicable
5 rules and regulations of the department of veterans' affairs of the United States, prepare and
6 present all veterans' pension and compensation claims qualifying under the provisions of § 42-12-
7 5. The ~~department of human services~~ office of veterans' affairs shall render this assistance without
8 charge to the claimant for the assistance.

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

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

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

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

1 of persons to whom they have furnished assistance which shall be omitted.

2 **30-17.1-9. Definitions.** -- When used in this chapter, the following terms shall have the
3 following meanings:

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

6 (2) "Committee" means the veterans' committee pursuant to the provisions of subdivision
7 30-17.1-11(c)(8).

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

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

11 (ii) The division of planning;

12 (iii) The department of human services;

13 (iv) The Rhode Island board of education;

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

15 (vi) The department of health;

16 (vii) The division of elderly affairs;

17 (viii) The department of business regulation;

18 (ix) The department of the attorney general;

19 (x) The department of labor and training;

20 (xi) The economic development corporation; and

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

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

24 **30-17.1-10. Veterans' services strategic plan advisory committee established.** -- (a)

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

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

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

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

34 (4) One of whom shall be the chair of the Rhode Island board of education, or his or her

1 designee;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 departments deliver comprehensive services and supports for veterans and their families.

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

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

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

19 (d) The "VSSP" shall:

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

32 **30-17.1-13. Veterans' "pocket guide" and online resource application. --** Contingent
33 upon funding:

34 (1) The ~~division~~ [director of the office](#) of veterans' affairs shall produce and annually

1 update a comprehensive "Pocket Guide Of Veterans' Services." This document shall be concise
2 yet thorough compendium of the benefits and services available to veterans in Rhode Island.

3 (2) Additionally, the ~~division~~ [director of veterans' affairs](#) shall develop and maintain a
4 veterans' online resource application of this information.

5 (3) The ~~division~~ [director of veterans' affairs](#) is hereby authorized to accept grants and
6 donations for this project.

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

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

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

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

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

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

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

34 The president of the senate shall appoint two (2) members, one of whom shall be a

1 licensed physician in epidemiology, and one of whom shall be a veteran who served in South
2 West Asia subsequent to September 11, 2001; the speaker of the house of representatives shall
3 appoint two (2) members, one of whom shall be an honorably discharged veteran from the
4 Persian Gulf War; and the minority leaders of the senate and the house of representatives shall
5 each appoint one member, one who shall be an honorably discharged veteran, and one who
6 served in the Persian Gulf during the 1990-1991 Persian Gulf War. The ~~associate~~ director of the
7 ~~division~~ office of veterans' affairs, the president of the united veterans' council and the
8 chairperson of the advisory council shall be appointed for a term to expire August 31, 2010. The
9 members appointed by the president of the senate and the speaker of the house shall be appointed
10 for a term to expire August 31, 2009; the members appointed by the minority leaders of the house
11 of representatives and senate shall be appointed for a term to expire August 31, 2008. Thereafter
12 the commissioners shall serve staggered five (5) year terms, each member serving until his or her
13 successor shall be appointed.

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

21 SECTION 19. Chapter 42-51 of the General Laws entitled "Governor's Commission on
22 Disabilities" is hereby amended by adding thereto the following section:

23 **42-51-12. Designated state entity. -- (a) The governor's commission on disabilities shall**
24 **be the designated state entity (DSE), pursuant to section 705(e) of the Workforce Innovation and**
25 **Opportunity Act (29 U.S.C. 796c). As the DSE, the commission shall apply for and:**

26 **(1) Receive, account for, and disburse funds received by the state under Part B based on**
27 **the state independent living plan (SILP);**

28 **(2) Provide administrative support services for a program under Part B;**

29 **(3) Keep such records and afford such access to such records as the administrator finds to**
30 **be necessary with respect to the programs;**

31 **(4) Submit such additional information or provide such assurances as the administrator**
32 **may require with respect to the programs; and**

33 **(5) Retain not more than five percent (5%) of the funds received by the state for any**
34 **fiscal year under Part B, for the performance of the services outlined in paragraphs (a)(1) through**

1 (4) of this section. For purposes of these regulations, the five percent (5%) cap on funds for
2 administrative expenses applies only to the Part B funds allocated to the state and to the state's
3 required ten percent (10%) Part B match. It does not apply to other program income funds,
4 including, but not limited to, payments provided to the state from the social security
5 administration for assisting social security beneficiaries and recipients to achieve employment
6 outcomes, any other federal funds, or to other funds allocated by the state for IL purposes.

7 (b) The DSE shall carry out its other responsibilities under the act, including, but not
8 limited to, arranging for the delivery of IL services under Part B of the act, and for the necessary
9 and sufficient resources needed by the statewide independent living council (SILC) to fulfill its
10 statutory duties and authorities, as authorized in the approved state plan.

11 (c) Fiscal and accounting requirements: The DSE shall adopt fiscal control and fund
12 accounting procedures as may be necessary to ensure the proper disbursement of and accounting
13 for federal funds provided to centers for independent living (CILs), SILCs, and/or other service
14 providers under the independent living services (ILS) program. The DSE must comply with all
15 applicable federal and state laws and regulations, including those in 45 CFR parts 75.

16 (d) The SILC shall not be established as an entity within a state agency, including the
17 DSE. The SILC shall be independent of and autonomous from the DSE and all other state
18 agencies.

19 SECTION 20. Upon the designation of the governor's commission on disabilities as the
20 designated state entity, pursuant to section 705(e) of the Workforce Innovation and Opportunity
21 Act (29 U.S.C. 796c), the governor is hereby authorized to transfer or reallocate the
22 appropriations and any other property of the designated state unit. Any proceedings or other
23 business or matters, undertaken or commenced prior to the effective date of this act by the
24 designated state unit and pending on the effective date of this act, may be conducted and
25 completed by the governor's commission on disabilities.

26 SECTION 21. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled
27 "Department of Behavioral Healthcare, Developmental Disabilities and Hospitals" is hereby
28 amended to read as follows:

29 **40.1-1-13. Powers and duties of the office.** -- Notwithstanding any provision of the
30 Rhode Island general laws to the contrary, the department of ~~mental health, retardation,~~
31 behaviorial healthcare, development disabilities and hospitals shall have the following powers
32 and duties:

33 (1) To establish and promulgate the overall plans, policies, objectives, and priorities for
34 state substance abuse education, prevention and treatment; provided, however, that the director

1 shall obtain and consider input from all interested state departments and agencies prior to the
2 promulgation of any such plans or policies;

3 (2) Evaluate and monitor all state grants and contracts to local substance abuse service
4 providers;

5 (3) Develop, provide for, and coordinate the implementation of a comprehensive state
6 plan for substance abuse education, prevention and treatment;

7 (4) Ensure the collection, analysis, and dissemination of information for planning and
8 evaluation of substance abuse services;

9 (5) Provide support, guidance, and technical assistance to individuals, local
10 governments, community service providers, public and private organizations in their substance
11 abuse education, prevention and treatment activities;

12 (6) Confer with all interested department directors to coordinate the administration of
13 state programs and policies that directly affect substance abuse treatment and prevention;

14 (7) Seek and receive funds from the federal government and private sources in order to
15 further the purposes of this chapter;

16 (8) ~~Act~~ To act for all purposes in the capacity of "state substance abuse authority" as ~~that~~
17 ~~term has meaning~~ the sole designated agency with the sole responsibility ~~agency with the sole~~ for
18 ~~coordination~~ planning, coordinating, managing, implementing and reporting on of state substance
19 abuse planning and policy ~~and~~ efforts as it relates to requirements set forth in pertinent federal
20 substance abuse laws and regulations;

21 (9) Propose, review and/or approve, as appropriate, proposals, policies or plans involving
22 insurance and managed care systems for substance abuse services in Rhode Island;

23 (10) To enter into, in compliance with the provisions of title 37, chapter 2, contractual
24 relationships and memoranda of agreement as necessary for the purposes of this chapter;

25 (11) To license facilities and programs for the care and treatment of substance abusers,
26 and for the prevention of substance abuse;

27 (12) To promulgate rules and regulations necessary to carry out the requirements of this
28 chapter;

29 (13) Perform other acts and exercise any other powers necessary or convenient to carry
30 out the intent and purposes of this chapter; and

31 (14) To exercise the authority and responsibilities relating to education, prevention and
32 treatment of substance abuse, as contained in, but not limited to, the following chapters: chapter
33 1.10 of title 23; chapter 10.1 of title 23; chapter 28.2 of title 23; chapter 21.2 of title 16; chapter
34 21.3 of title 16; chapter 50.1 of title 42; chapter 109 of title 42; chapter 69 of title 5 and § 35-4-

1 18.

2 (15) To establish a Medicare Part D restricted receipt account in the Hospitals and
3 Community Rehabilitation Services program to receive and expend Medicare Part D
4 reimbursements from pharmacy benefit providers consistent with the purposes of this chapter.

5 (16) To establish a RICLAS Group Home Operations restricted receipt account in the
6 services for the developmentally disabled program to receive and expend rental income from
7 RICLAS group clients for group home-related expenditures, including food, utilities, community
8 activities, and the maintenance of group homes.

9 (17) To establish a non-Medicaid third-party payor restricted receipt account in the
10 hospitals and community rehabilitation services program to receive and expend reimbursement
11 from non-Medicaid third-party payors to fund hospital patient services that are not Medicaid
12 eligible.

13 [\(18\) To act in conjunction with the executive office of health and human services as the](#)
14 [state's co-designated agency for administering federal aid and for the purpose of the calculation](#)
15 [of expenditures relative to the substance abuse block grant and federal funding maintenance of](#)
16 [effort requirements.](#)

17 SECTION 22. Section 42-7.2-2 of the General Laws in Chapter 42-7.2 entitled "Office of
18 Health and Human Services" is hereby amended to read as follows:

19 **42-7.2-2. Executive office of health and human services.** -- There is hereby established
20 within the executive branch of state government an executive office of health and human services
21 to serve as the principal agency of the executive branch of state government for managing the
22 departments of children, youth and families, health, human services, and behavioral healthcare,
23 developmental disabilities and hospitals. In this capacity, the office shall:

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

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

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

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

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

33 (5) Ensure that state health and human services policies and programs are responsive to
34 changing consumer needs and to the network of community providers that deliver assistive

1 services and supports on their behalf.

2 (6) Administer Rhode Island Medicaid in the capacity of the single state agency
3 authorized under title XIX of the U.S. Social Security act, 42 U.S.C. § 1396a et seq., and exercise
4 such single state agency authority for such other federal and state programs as may be designated
5 by the governor. Except as provided for herein, nothing in this chapter shall be construed as
6 transferring to the secretary the powers, duties or functions conferred upon the departments by
7 Rhode Island general laws for the management and operations of programs or services approved
8 for federal financial participation under the authority of the Medicaid state agency.

9 (7) To act in conjunction with the department of behavioral healthcare, developmental
10 disabilities and hospitals as the state's co-designated agency for administering federal aid and for
11 the purpose of the calculation of expenditures relative to the substance abuse block grant and
12 federal funding maintenance of effort requirements.

13 SECTION 23. Section 36-4-2 of the General Laws in Chapter 36-4 entitled "Merit
14 System" is hereby amended to read as follows:

15 **36-4-2. Positions in unclassified service.** -- (a) The classified service shall comprise all
16 positions in the state service now existing or hereinafter established, except the following specific
17 positions which with other positions heretofore or hereinafter specifically exempted by legislative
18 act shall constitute the unclassified service:

19 (1) Officers and legislators elected by popular vote and persons appointed to fill
20 vacancies in elective offices.

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

22 (3) Officers, secretaries, and employees of the office of the governor, office of the
23 lieutenant governor, department of state, department of the attorney general, and the treasury
24 department.

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

28 (5) The following specific offices:

29 (i) In the department of administration: director, chief information officer~~;~~, cybersecurity
30 officer, director of office of management and budget, director of performance management,
31 deputy director, chief of staff, public information officer and legislative/policy director~~;~~, and
32 within the health benefits exchange: director, deputy director, administrative assistant, senior
33 policy analyst, and chief strategic planning monitoring and evaluation;

34 (ii) In the department of business regulation: director;

- 1 (iii) In the department of elementary and secondary education: commissioner of
2 elementary and secondary education;
- 3 (iv) In the department of higher education: commissioner of postsecondary education;
- 4 (v) In the department of health: director, executive director, and deputy director;
- 5 (vi) In the department of labor and training: director, administrative assistant,
6 administrator of the labor board and legal counsel to the labor board, executive director and
7 communications director;
- 8 (vii) In the department of environmental management: director;
- 9 (viii) In the department of transportation: director, chief operating officer,
10 administrator/division of project management, administrator/division of planning, chief of staff,
11 communications director, legislative director and policy director;
- 12 (ix) In the department of human services: director and director of veterans' affairs;
- 13 (x) In the state properties committee: secretary;
- 14 (xi) In the workers' compensation court: judges, administrator, deputy administrator,
15 clerk, assistant clerk, clerk secretary;
- 16 (xii) In the division of elderly affairs: director;
- 17 (xiii) In the department of behavioral healthcare, developmental disabilities and
18 hospitals: director;
- 19 (xiv) In the department of corrections: director, assistant director
20 (institutions/operations), assistant director (rehabilitative services), assistant director
21 (administration), and wardens;
- 22 (xv) In the department of children, youth and families: director, one assistant director,
23 one associate director, one executive director, and a chief of staff;
- 24 (xvi) In the public utilities commission: public utilities administrator;
- 25 (xvii) In the water resources board: general manager;
- 26 (xviii) In the human resources investment council: executive director.
- 27 (xix) In the office of health and human services: secretary of health and human services.
- 28 (xx) In the office of commerce: secretary, deputy secretary, chief of staff,
29 communications director, legislative director, and policy director.
- 30 (6) Chief of the hoisting engineers, licensing division, and his or her employees;
31 executive director of the veterans memorial building and his or her clerical employees.
- 32 (7) One confidential stenographic secretary for each director of a department and each
33 board and commission appointed by the governor.
- 34 (8) Special counsel, special prosecutors, regular and special assistants appointed by the

1 attorney general, the public defender and employees of his or her office, and members of the
2 Rhode Island bar occupying a position in the state service as legal counsel to any appointing
3 authority.

4 (9) The academic and/or commercial teaching staffs of all state institution schools, with
5 the exception of those institutions under the jurisdiction of the board of regents for elementary
6 and secondary education and the board of governors for higher education.

7 (10) Members of the military or naval forces, when entering or while engaged in the
8 military or naval service.

9 (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the
10 supreme, superior, family, and district courts, the traffic tribunal, security officers of the traffic
11 tribunal, jurors and any persons appointed by any court.

12 (12) Election officials and employees.

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

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

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

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

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

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

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

32 (19) Mental health advocate.

33 (20) Child advocate.

34 (21) The position of aquaculture coordinator and marine infrastructure specialist within

1 the coastal resources management council.

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

3 (23) In the department of revenue: the director, secretary, attorney.

4 (24) In the department of public safety: the director.

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

8 SECTION 24. Section 19 shall take effect on October 1, 2016. The remainder of this
9 article shall take effect upon passage.

10

ARTICLE 5 AS AMENDED

RELATING TO CAPITAL DEVELOPMENT PROGRAM

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

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

Project

(1) Veterans Home \$27,000,000

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

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

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

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

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

(b) University of Rhode Island Affiliated Innovation Campus Program \$20,000,000

Provides twenty million dollars (\$20,000,000) to build one or more innovation campuses involving business collaborations with the University of Rhode Island and may include other

1 higher education institutions where cutting-edge research can be turned into new products,
2 services and businesses.

3 ~~(3) Port of Davisville Infrastructure at Quonset \$50,000,000~~

4 ~~Approval of this question will allow the State of Rhode Island to issue general obligation~~
5 ~~bonds, refunding bonds, and temporary notes in an amount not to exceed fifty million dollars~~
6 ~~(\$50,000,000) to fund infrastructure modernization and repairs to the Port of Davisville at~~
7 ~~Quonset, including Pier 2.~~

8 (3) Port Infrastructure \$70,000,000

9 Approval of this question will allow the State of Rhode Island to issue general obligation
10 bonds, refunding bonds, and temporary notes in an amount not to exceed seventy million dollars
11 (\$70,000,000) for port infrastructure projects, to be allocated as follows:

12 (a) Port of Davisville Infrastructure at Quonset \$50,000,000

13 Provides fifty million dollars (\$50,000,000) to fund infrastructure modernization and
14 repairs to the Port of Davisville at Quonset, including Pier 2.

15 (b) Port of Providence Infrastructure \$20,000,000

16 Provides twenty million dollars (\$20,000,000) to increase terminal capacity at the Port of
17 Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in
18 the City of Providence and the Providence River, and associated infrastructure improvements.

19 (4) Green Economy \$35,000,000

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

23 (a) Historic State Park Development Program \$4,000,000

24 Provides four million dollars (\$4,000,000) for major capital improvements to State
25 properties, including Fort Adams State Park, Brenton Point, Colt State Park and Goddard
26 Memorial State Park.

27 (b) State Land Acquisition Program \$4,000,000

28 Provides four million dollars (\$4,000,000) for the State to acquire fee simple interest or
29 conservation easements to open space, farmland, watershed, and recreation lands.

30 (c) State Bikeway Development Program \$10,000,000

31 Provides ten million dollars (\$10,000,000) for the State to design and construct bikeways.

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 \$5,000,000
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 (5) Housing Opportunity \$50,000,000
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 fifty million dollars
14 (\$50,000,000) for affordable housing, urban revitalization, and blight remediation, to be allocated
15 as follows:

16 (a) Affordable Housing Development \$40,000,000
17 Provides forty million dollars (\$40,000,000) for the ~~state~~ [Housing Resources Commission](#)
18 to develop affordable housing opportunity programs through the redevelopment of existing
19 structures and/or new construction.

20 (b) Urban Revitalization and Blight Remediation \$10,000,000
21 Provides ten million dollars (\$10,000,000) for the state to provide funding for the
22 improvement of properties that are blighted or in need of revitalization, including residential and
23 commercial properties and public and community spaces.

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

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

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

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

27 **SECTION 5. Refunding bonds for 2016 capital development program.** -- The general
28 treasurer is hereby authorized and empowered, with the approval of the governor and in
29 accordance with the provisions of this act, to issue from time to time bonds to refund the 2016
30 capital development program bonds in the name and on behalf of the state, in amounts as may be
31 specified from time to time by the governor in an aggregate principal amount not to exceed the
32 total amount approved by the people, to be designated as "capital development program loan of
33 2016 refunding bonds" (hereinafter "refunding bonds").

34 The general treasurer with the approval of the governor shall fix the terms and form of

1 any refunding bonds issued under this act in the same manner as the capital development bonds
2 issued under this act, except that the refunding bonds may not mature more than twenty (20)
3 years from the date of original issue of the capital development bonds being refunded.

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

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

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

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

28 All monies in the capital development bond fund shall be expended for the purposes
29 specified in the proposition provided for in section 1 hereof under the direction and supervision of
30 the director of administration (hereinafter referred to as "director"). The director or his or her
31 designee shall be vested with all power and authority necessary or incidental to the purposes of
32 this act, including but not limited to, the following authority: (a) to acquire land or other real
33 property or any interest, estate or right therein as may be necessary or advantageous to
34 accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans

1 phase of a comprehensive program to replace outdated buildings with a major new building and
2 to renovate and build additions to the existing complex of buildings serving the University of
3 Rhode Island College of Engineering. In addition to constructing an addition to historic Bliss
4 Hall, the project will restore the building and upgrade building systems, improve classrooms,
5 modernize teaching laboratories, and provide advanced research facilities for the next generation
6 of Engineering students and faculty.

7 (b) University of Rhode Island Affiliated Innovation Campus Program \$20,000,000

8 Provides funds to build one or more innovation campuses involving business
9 collaborations with the University of Rhode Island and may include other higher education
10 institutions where cutting-edge research can be turned into new products, services, and
11 businesses. The state will run a competitive selection process to determine the location and type
12 of campus or campuses to build. A winning proposal must involve the University of Rhode
13 Island, more than match the state's investment with private ~~or~~ and/or federal funds, include at
14 least one business partner, and spur a substantial number of new jobs at a variety of skill levels.
15 Preference may be given to proposals that include multiple higher education institutions.

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

21 Question 3 relating to bonds in the amount of seventy million dollars (\$70,000,000) to be
22 allocated as follows:

23 (a) Port of Davisville Infrastructure at Quonset \$50,000,000

24 Provides funds to modernize the port infrastructure at the Port of Davisville in the
25 Quonset Business Park, including Pier 2. The Port handles a majority of shipping imports into
26 Narragansett Bay and supports one of the largest auto importers in North America. A primary
27 goal of this program will be modernizing Pier 2, which has exceeded the 50-year lifespan for
28 which it was originally designed.

29 (b) Port of Providence Infrastructure \$20,000,000

30 Provides funds to increase terminal capacity at the Port of Providence by funding the
31 acquisition of up to 25 acres of land located between Allens Avenue in the City of Providence
32 and the Providence River, and associated infrastructure improvements. The State of Rhode Island
33 or one of its governmental agencies will own the land. ProvPort, Inc., a non-profit entity which
34 provides general commercial port services in the City of Providence, will be responsible for

1 [managing and marketing the land subject to a revenue sharing agreement with the State of Rhode](#)
2 [Island or one of its agencies.](#)

3 Question 4 relating to bonds in the amount of thirty-five million dollars (\$35,000,000) for
4 environmental and recreational purposes to be allocated as follows:

5 (a) Historical State Park Development Program \$4,000,000

6 Provides funds for major capital improvements to state properties, including Fort Adams
7 State Park, Brenton Point, Colt State Park and Goddard Memorial State Park.

8 (b) State Land Acquisition Program \$4,000,000

9 Provides funds to acquire fee interest or conservation easements to open space, farmland,
10 watershed, and recreation lands.

11 (c) State Bikeway Development Program \$10,000,000

12 Provides funds for the State to design and construct bikeways.

13 (d) Brownfield Remediation and Economic Development \$5,000,000

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

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

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

19 (f) Local Recreation Development Matching Grant Program \$5,000,000

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

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

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

26 Question 5 relating to bonds in the amount of fifty million dollars (\$50,000,000) to
27 promote affordable housing opportunity programs, urban revitalization, and blight remediation, to
28 be allocated as follows:

29 (a) Affordable Housing Development \$40,000,000

30 Provides funds for the ~~state~~ [Housing Resources Commission](#) to develop affordable
31 housing opportunity programs through the redevelopment of existing structures and/or new
32 construction

33 (b) Urban Revitalization and Blight Remediation \$10,000,000

34 Provides funds for the state to provide funding for the improvement of properties that are

1 blighted or in need of revitalization, including residential and commercial properties and public
2 and community spaces.

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

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

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

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

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

26 **SECTION 9. Investment of moneys in fund.** -- All moneys in the capital development
27 fund not immediately required for payment pursuant to the provisions of this act may be invested
28 by the investment commission, as established by chapter 35-10, pursuant to the provisions of such
29 chapter; provided, however, that the securities in which the capital development fund is invested
30 shall remain a part of the capital development fund until exchanged for other securities; and
31 provided further, that the income from investments of the capital development fund shall become
32 a part of the general fund of the state and shall be applied to the payment of debt service charges
33 of the state, unless directed by federal law or regulation to be used for some other purpose, or to
34 the extent necessary, to rebate to the United States treasury any income from investments

1 (including gains from the disposition of investments) of proceeds of bonds or notes to the extent
2 deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from
3 federal income taxation.

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

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

16 **SECTION 12. Federal assistance and private funds.** -- In carrying out this act, the
17 director, or his or her designee, is authorized on behalf of the state, with the approval of the
18 governor, to apply for and accept any federal assistance which may become available for the
19 purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of
20 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,
21 to act as agent for the federal government in connection therewith, or to designate a subordinate
22 so to act. Where federal assistance is made available, the project shall be carried out in
23 accordance with applicable federal law, the rules and regulations thereunder and the contract or
24 contracts providing for federal assistance, notwithstanding any contrary provisions of state law.
25 Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited
26 in the capital development bond fund and expended as a part thereof. The director or his or her
27 designee may also utilize any private funds that may be made available for the purposes of this
28 act.

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

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ARTICLE 6

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTION

SECTION 1. This article consists of a joint resolution that is submitted pursuant to Rhode Island General Law § 35-18-1, et seq.

SECTION 2. Quonset Harbor, Pier, and Port Improvements.

WHEREAS, the Rhode Island commerce corporation is a public instrumentality of the State of Rhode Island (hereafter the “State”), created by the general assembly pursuant to § 42-64-1 et seq. (as enacted, reenacted and amended, hereafter the “Act”); and

WHEREAS, the Act declares, in part, that new industrial, manufacturing, recreational, and commercial facilities are required to attract and house new industries and thereby reduce the hazards of unemployment; and

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

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

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

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

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

1 Quonset business park; and

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

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

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

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

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

33 RESOLVED, the general assembly hereby approves the Rhode Island commerce
34 corporation's issuance of the bonds in a private placement or through a public offering, in one or

1 more series. The bonds will be special obligation bonds of the Rhode Island commerce
2 corporation payable exclusively from loan repayments under a loan agreement with the Quonset
3 development corporation and from bond proceeds, funds, accounts, and properties and the
4 proceeds thereof pledged therefor, and thus the Rhode Island commerce corporation's maximum
5 liability will be limited to loan repayments received under the loan agreement and the aggregate
6 amount of such other funds, accounts, properties, and proceeds; and be it further

7 RESOLVED, that the total amount of debt approved to be issued in the aggregate shall be
8 not more than twenty-five million dollars (\$25,000,000); and be it further

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

14 RESOLVED, that none of the bonds or the loan agreements shall constitute indebtedness
15 of the State or a debt for which the full faith and credit of the State is pledged or a moral
16 obligation thereof; and be it further

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

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

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

21

ARTICLE 7 AS AMENDED

RELATING TO HEALTH AND HUMAN SERVICES

SECTION 1. Section 27-18-64 of the General Laws in Chapter 27-18 entitled “Accident and Sickness Insurance Policies” is hereby amended to read as follows:

27-18-64. Coverage for early intervention services. -- (a) Every individual or group hospital or medical expense insurance policy or contract providing coverage for dependent children, delivered or renewed in this state on or after July 1, 2004, shall include coverage of early intervention services which coverage shall take effect no later than January 1, 2005. Such coverage shall not be subject to deductibles and coinsurance factors. Any amount paid by an insurer under this section for a dependent child shall not be applied to any annual or lifetime maximum benefit contained in the policy or contract. For the purpose of this section, "early intervention services" means, but is not limited to, speech and language therapy, occupational therapy, physical therapy, evaluation, case management, nutrition, service plan development and review, nursing services, and assistive technology services and devices for dependents from birth to age three (3) who are certified by the executive office of health and human services as eligible for services under part C of the Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.).

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

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

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

40-8-13.4. Rate methodology for payment for in state and out of state hospital services. -- (a) The executive office of health and human services ("executive office") shall

1 implement a new methodology for payment for in state and out of state hospital services in order
2 to ensure access to and the provision of high quality and cost-effective hospital care to its eligible
3 recipients.

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

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

19 (ii) With respect to inpatient services, (A) it is required as of January 1, 2011 until
20 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
21 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
22 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month
23 period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid
24 Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the
25 applicable period; (B) provided, however, for the twenty-four (24) month period beginning July
26 1, 2013 the Medicaid managed care payment rates between each hospital and health plan shall not
27 exceed the payment rates in effect as of January 1, 2013 and for the twelve (12) month period
28 beginning July 1, 2015, the Medicaid managed care payment inpatient rates between each
29 hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
30 payment rates in effect as of January 1, 2013; (C) negotiated increases in inpatient hospital
31 payments for each annual twelve (12) month period beginning July 1, 2016 may not exceed the
32 Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS)
33 Hospital Input Price Index, less Productivity Adjustment, for the applicable period; (D) The
34 ~~Rhode Island~~ executive office ~~of health and human services~~ will develop an audit methodology

1 and process to assure that savings associated with the payment reductions will accrue directly to
2 the Rhode Island Medicaid program through reduced managed care plan payments and shall not
3 be retained by the managed care plans; (E) All hospitals licensed in Rhode Island shall accept
4 such payment rates as payment in full; and (F) for all such hospitals, compliance with the
5 provisions of this section shall be a condition of participation in the Rhode Island Medicaid
6 program.

7 (2) With respect to outpatient services and notwithstanding any provisions of the law to
8 the contrary, for persons enrolled in fee for service Medicaid, the executive office will reimburse
9 hospitals for outpatient services using a rate methodology determined by the executive office and
10 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
11 payments for similar services. Notwithstanding the above, there shall be no increase in the
12 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.
13 For the twelve (12) month period beginning July 1, 2015, Medicaid fee-for-service outpatient
14 rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1,
15 2014. Thereafter, ~~changes to outpatient rates will be implemented on July 1 each year and shall~~
16 ~~align with Medicare payments for similar services from the prior federal fiscal year~~ increases in
17 the outpatient hospital payments for each annual twelve (12) month period beginning July 1, 2016
18 may not exceed the CMS national Outpatient Prospective Payment System (OPPS) Hospital Input
19 Price Index for the applicable period. With respect to the outpatient rate, (i) it is required as of
20 January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates between
21 each hospital and health plan shall not exceed one hundred percent (100%) of the rate in effect as
22 of June 30, 2010; ~~(ii)~~ (ii) Negotiated increases in hospital outpatient payments for each annual twelve
23 (12) month period beginning January 1, 2012 may not exceed the Centers for Medicare and
24 Medicaid Services national CMS Outpatient Prospective Payment System ~~(OPPS)~~ hospital price
25 index for the applicable period; ~~(iii)~~ (iii) provided, however, for the twenty-four (24) month period
26 beginning July 1, 2013, the Medicaid managed care outpatient payment rates between each
27 hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013 and for
28 the twelve (12) month period beginning July 1, 2015, the Medicaid managed care outpatient
29 payment rates between each hospital and health plan shall not exceed ninety-seven and one-half
30 percent (97.5%) of the payment rates in effect as of January 1, 2013; ~~(iii)~~ (iv) negotiated increases
31 in outpatient hospital payments for each annual twelve (12) month period beginning July 1, 2016
32 may not exceed the Centers for Medicare and Medicaid Services national CMS ~~Outpatient~~
33 ~~Prospective Payment System (OPPS)~~ Hospital Input Price Index, less Productivity Adjustment,
34 for the applicable period.

1 (3) "Hospital" as used in this section shall mean the actual facilities and buildings in
2 existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter
3 any premises included on that license, regardless of changes in licensure status pursuant to § 23-
4 17.14 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-
5 term acute inpatient and/or outpatient care to persons who require definitive diagnosis and
6 treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language,
7 the negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires
8 a hospital through receivership, special mastership or other similar state insolvency proceedings
9 (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based
10 upon the newly negotiated rates between the court-approved purchaser and the health plan, and
11 such rates shall be effective as of the date that the court-approved purchaser and the health plan
12 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology
13 for inpatient hospital payments and outpatient hospital payments set forth in the §§ 40-8-
14 13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases
15 for each annual twelve (12) month period as of July 1 following the completion of the first full
16 year of the court-approved purchaser's initial Medicaid managed care contract.

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

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

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

30 (f) As a condition of participation in the DRG methodology for payment of hospital
31 services, every hospital shall submit year-end settlement reports to the executive office within one
32 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
33 a year-end settlement report as required by this section, the executive office shall withhold
34 financial cycle payments due by any state agency with respect to this hospital by not more than

1 ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent
2 fiscal years, hospitals will not be required to submit year-end settlement reports on payments for
3 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
4 be required to submit year-end settlement reports on claims for hospital inpatient services.
5 Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include
6 only those claims received between October 1, 2009 and June 30, 2010.

7 (g) The provisions of this section shall be effective upon implementation of the
8 ~~amendments and~~ new payment methodology set forth in ~~pursuant to~~ this section and § 40-8-13.3,
9 which shall in any event be no later than March 30, 2010, at which time the provisions of §§ 40-
10 8-13.2, 27-19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

11 **40-8-19. Rates of payment to nursing facilities.** -- (a) Rate reform. (1) The rates to be
12 paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to
13 participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible
14 residents, shall be reasonable and adequate to meet the costs which must be incurred by
15 efficiently and economically operated facilities in accordance with 42 U.S.C. §1396a(a)(13). The
16 executive office of health and human services ("executive office") shall promulgate or modify the
17 principles of reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with
18 the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

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

- 25 (i) A direct care rate adjusted for resident acuity;
- 26 (ii) An indirect care rate comprised of a base per diem for all facilities;
- 27 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015,
28 which may or may not result in automatic per diem revisions;
- 29 (iv) Application of a fair rental value system;
- 30 (v) Application of a pass-through system; and
- 31 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
32 index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will
33 not occur on October 1, 2013 or October 1, 2015, but will occur on April 1, 2015. Said inflation
34 index shall be applied without regard for the transition factor in subsection (b)(2) below.

1 For purposes of October 1, 2016 adjustment only, any rate increase that results from
2 application of the inflation index to section 2(i) and 2(ii) above shall be dedicated to increase
3 compensation for direct care workers in the following manner: Not less than 85% of this
4 aggregate amount shall be expended to fund an increase in wages, benefits, or related employer
5 costs of direct care staff of nursing homes. For purposes of this section, direct care staff shall
6 include Registered Nurses (RNs), Licensed Practical Nurses (LPNs), certified nursing assistants
7 (CNAs), certified medical technicians, housekeeping staff, laundry staff, dietary staff or other
8 similar employees providing direct care services; provided, however that this definition of direct
9 care staff shall not include: (i) RNs and LPNs who are classified as "exempt employees" under
10 the Federal Fair Labor Standards Act (29 USC 201 et seq); or (ii) CNAs, certified medical
11 technicians, RNs or LPNs who are contracted or subcontracted through a third party vendor or
12 staffing agency. By July 31, 2017, nursing facilities shall submit to the secretary or designee a
13 certification that they have complied with the provisions of this subsection (vi) with respect to the
14 inflation index applied on October 1, 2016. Any facility that does not comply with terms of such
15 certification shall be subjected to a clawback, paid by the nursing facility to the state, in the
16 amount of increased reimbursement subject to this provision that was not expended in compliance
17 with that certification.

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

23 (1) No nursing facility shall receive reimbursement for direct care costs that is less than
24 the rate of reimbursement for direct care costs received under the methodology in effect at the
25 time of passage of this act; ~~and~~ for the year beginning October 1, 2017, the reimbursement for
26 direct care costs under this provision will be phased out in twenty-five (25%) percent increments
27 each year until October 1, 2021 when the reimbursement will no longer be in effect.

28 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate
29 the first year of the transition. An adjustment to the per diem loss or gain may be phased out by
30 twenty-five percent (25%) each year; except, however, for the year beginning October 1, 2015,
31 there shall be no adjustment to the per diem gain or loss, but the phase out shall resume
32 thereafter; and

33 (3) The transition plan and/or period may be modified upon full implementation of
34 facility per diem rate increases for quality of care related measures. Said modifications shall be

1 submitted in a report to the general assembly at least six (6) months prior to implementation.

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

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

7 **40-8.3-2. Definitions.** -- As used in this chapter:

8 (1) "Base year" means for the purpose of calculating a disproportionate share payment for
9 any fiscal year ending after September 30, ~~2014~~ 2015, the period from October 1, ~~2012~~ 2013
10 through September 30, ~~2013~~ 2014, and for any fiscal year ending after September 30, ~~2015~~ 2016,
11 the period from October 1, ~~2013~~ 2014 through September 30, ~~2014~~ 2015.

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

16 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:

17 (i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base
18 year; and shall mean the actual facilities and buildings in existence in Rhode Island, licensed
19 pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that
20 license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital conversions)
21 and § 23-17-6(b) (change in effective control), that provides short-term acute inpatient and/or
22 outpatient care to persons who require definitive diagnosis and treatment for injury, illness,
23 disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid
24 managed care payment rates for a court-approved purchaser that acquires a hospital through
25 receivership, special mastership or other similar state insolvency proceedings (which court-
26 approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the
27 newly negotiated rates between the court-approved purchaser and the health plan, and such rates
28 shall be effective as of the date that the court-approved purchaser and the health plan execute the
29 initial agreement containing the newly negotiated rate. The rate-setting methodology for inpatient
30 hospital payments and outpatient hospital payments set for the §§ 40-8-13.4(b)(1)(B)(iii) and 40-
31 8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve
32 (12) month period as of July 1 following the completion of the first full year of the court-
33 approved purchaser's initial Medicaid managed care contract.

34 (ii) achieved a medical assistance inpatient utilization rate of at least one percent (1%)

1 during the base year; and

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

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

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

22 **40-8.3-3. Implementation.** ~~-- (a) For federal fiscal year 2014, commencing on October 1,~~
23 ~~2013 and ending September 30, 2014, the executive office of health and human services shall~~
24 ~~submit to the Secretary of the U.S. Department of Health and Human Services a state plan~~
25 ~~amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments~~
26 ~~(DSH Plan) to provide:~~

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

30 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~
31 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~
32 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
33 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~
34 ~~share payments shall be made on or before July 14, 2014 and are expressly conditioned upon~~

1 ~~approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human~~
2 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~
3 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for~~
4 ~~the disproportionate share payments.~~

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

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

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

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

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

31 (2) That the Pool D allotment shall be distributed among the participating hospitals in
32 direct proportion to the individual participating hospital's uncompensated care costs for the base
33 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
34 year inflated by uncompensated care index for all participating hospitals. The ~~disproportionate~~

1 ~~share payments~~ DSH Plan shall be made on or before July 11, 2016 and are expressly conditioned
2 upon approval on or before July 5, 2016 by the Secretary of the U.S. Department of Health and
3 Human Services, or his or her authorized representative, of all Medicaid state plan amendments
4 necessary to secure for the state the benefit of federal financial participation in federal fiscal year
5 2016 for the ~~disproportionate share payments~~ DSH Plan.

6 (c) For federal fiscal year 2017, commencing on October 1, 2016 and ending September
7 30, 2017, the executive office of health and human services shall submit to the Secretary of the
8 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
9 Medicaid DSH Plan to provide:

10 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
11 \$139.7 million, shall be allocated by the executive office of health and human services to the Pool
12 D component of the DSH Plan; and,

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

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

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

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

1 SECTION 4. Section 40-8.5-1.1 of the General Laws in Chapter 40-8.5 entitled "Health
2 Care for Elderly and Disabled Residents Act" is hereby amended to read as follows:

3 **40-8.5-1.1. Managed health care delivery systems.** -- (a) To ensure that all medical
4 assistance beneficiaries, including the elderly and all individuals with disabilities, have access to
5 quality and affordable health care, the ~~department of human services~~ executive office of health
6 and human services ("executive office") is authorized to implement mandatory managed care
7 health systems.

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

25 (c) In accordance with § 42-12.4-7, the ~~department~~ executive office is authorized to
26 obtain any approval through waiver(s), category II or III changes, and/or state plan amendments,
27 from the secretary of the United States department of health and human services, that are
28 necessary to implement mandatory managed health care delivery systems for all ~~medical~~
29 ~~assistance recipients, including the primary case management model in which ancillary services~~
30 ~~are provided under the direction of a physician in a practice that meets standards established by~~
31 ~~the department of human services~~ medicaid beneficiaries. The waiver(s), category II or III
32 changes, and/or state plan amendments shall include the authorization to extend managed care to
33 cover long-term care services and supports. Such authorization shall also include, as deemed
34 appropriate, exempting certain beneficiaries with third-party medical coverage or insurance from

1 mandatory managed care in accordance with rules and regulations promulgated by the ~~department~~
2 ~~of human services~~ executive office.

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

11 SECTION 5. 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
12 the General Laws in Chapter 40-8.9 entitled "Medical Assistance - Long-Term Care Service and
13 Finance Reform " are hereby amended to read as follows:

14 **40-8.9-3. Least restrictive setting requirement.** -- ~~Beginning on July 1, 2007, the~~
15 ~~department of human services~~ The executive office of health and human services (executive
16 office) is directed to recommend the allocation of existing Medicaid resources as needed to
17 ensure that those in need of long-term care and support services receive them in the least
18 restrictive setting appropriate to their needs and preferences. The ~~department~~ executive office is
19 hereby authorized to utilize screening criteria, to avoid unnecessary institutionalization of persons
20 during the full eligibility determination process for Medicaid community based care.

21 **40-8.9-4. Unified long-term care budget.** -- Beginning on July 1, 2007, a unified long-
22 term care budget shall combine in a single line-item appropriation within the ~~department of~~
23 ~~human services budget~~ executive office of health and human services (executive office), annual
24 ~~department of human services~~ executive office Medicaid appropriations for nursing facility and
25 community-based long-term care services for elderly sixty-five (65) years and older and younger
26 persons at risk of nursing home admissions (including adult day care, home health, pace, and
27 personal care in assisted living settings). Beginning on July 1, 2007, the total system savings
28 attributable to the value of the reduction in nursing home days including hospice nursing home
29 days paid for by Medicaid shall be allocated in the budget enacted by the general assembly for the
30 ensuing fiscal year for the express purpose of promoting and strengthening community-based
31 alternatives; provided, further, beginning July 1, 2009, said savings shall be allocated within the
32 budgets of the executive office and, as appropriate, the department of human services, ~~and the~~
33 ~~department~~ division of elderly affairs. The allocation shall include, but not be limited to, funds to
34 support an on-going statewide community education and outreach program to provide the public

1 with information on home and community services and the establishment of presumptive
2 eligibility criteria for the purposes of accessing home and community care. The home and
3 community care service presumptive eligibility criteria shall be developed through rule or
4 regulation on or before September 30, 2007. The allocation may also be used to fund home and
5 community services provided by the ~~department~~ [division](#) of elderly affairs for persons eligible for
6 Medicaid long-term care, and the co-pay program administered pursuant to section 42-66.3. Any
7 monies in the allocation that remain unexpended in a fiscal year shall be carried forward to the
8 next fiscal year for the express purpose of strengthening community-based alternatives.

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

16 **40-8.9-6. Reporting.** -- Annual reports showing progress in long-term care system
17 reform and rebalancing shall be submitted by April 1st of each year by the ~~department~~ [executive](#)
18 [office of health and human services](#) to the Joint Legislative Committee on Health Care Oversight
19 as well as the finance committees of both the senate and the house of representatives and shall
20 include: the number of persons aged sixty-five (65) years and over and adults with disabilities
21 served in nursing facilities, the number of persons transitioned from nursing homes to Medicaid
22 supported home and community based care, the number of persons aged sixty-five (65) years and
23 over and adults with disabilities served in home and community care to include home care, adult
24 day services, assisted living and shared living, the dollar amounts and percent of expenditures
25 spent on nursing facility care and home and community-based care, and estimates of the
26 continued investments necessary to provide stability to the existing system and establish the
27 infrastructure and programs required to achieve system-wide reform and the targeted goal of
28 spending fifty percent (50%) of Medicaid long-term care dollars on nursing facility care and fifty
29 percent (50%) on home and community-based services.

30 **40-8.9-7. Rate reform.** -- ~~By January 2008 the department of human services~~ [The](#)
31 [executive office of health and human services](#) shall design and require to be submitted by all
32 service providers cost reports for all community-based long-term services, [including patient](#)
33 [liability owed and collected.](#)

34 **40-8.9-8. System screening.** -- ~~By January 2008 the department of human services~~ [The](#)

1 [executive office of health and human services](#) shall develop and implement a screening strategy
2 for the purpose of identifying entrants to the publicly financed long-term care system prior to
3 application for eligibility as well as defining their potential service needs.

4 **40-8.9.9. Long-term care re-balancing system reform goal.** -- (a) Notwithstanding any
5 other provision of state law, the executive office of health and human services is authorized and
6 directed to apply for and obtain any necessary waiver(s), waiver amendment(s) and/or state plan
7 amendments from the secretary of the United States department of health and human services,
8 and to promulgate rules necessary to adopt an affirmative plan of program design and
9 implementation that addresses the goal of allocating a minimum of fifty percent (50%) of
10 Medicaid long-term care funding for persons aged sixty-five (65) and over and adults with
11 disabilities, in addition to services for persons with developmental disabilities , to home and
12 community-based care ; provided, further, the executive office shall report annually as part of its
13 budget submission, the percentage distribution between institutional care and home and
14 community-based care by population and shall report current and projected waiting lists for long-
15 term care and home and community-based care services. The executive office is further
16 authorized and directed to prioritize investments in home and community- based care and to
17 maintain the integrity and financial viability of all current long-term care services while pursuing
18 this goal.

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

30 (c) Pursuant to federal authority procured under § 42-7.2-16 of the general laws, the
31 executive office of health and human services is directed and authorized to adopt a tiered set of
32 criteria to be used to determine eligibility for services. Such criteria shall be developed in
33 collaboration with the state's health and human services departments and, to the extent feasible,
34 any consumer group, advisory board, or other entity designated for such purposes, and shall

1 encompass eligibility determinations for long-term care services in nursing facilities, hospitals,
2 and intermediate care facilities for persons with intellectual disabilities as well as home and
3 community-based alternatives, and shall provide a common standard of income eligibility for
4 both institutional and home and community- based care. The executive office is authorized to
5 adopt clinical and/or functional criteria for admission to a nursing facility, hospital, or
6 intermediate care facility for persons with intellectual disabilities that are more stringent than
7 those employed for access to home and community-based services. The executive office is also
8 authorized to promulgate rules that define the frequency of re- assessments for services provided
9 for under this section. Levels of care may be applied in accordance with the following:

10 (1) The executive office shall continue to apply the level of care criteria in effect on June
11 30, 2015 for any recipient determined eligible for and receiving Medicaid-funded long-term
12 services in supports in a nursing facility, hospital, or intermediate care facility for persons with
13 intellectual disabilities on or before that date, unless:

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

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

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

33 (3) No nursing home, hospital, or intermediate care facility for persons with intellectual
34 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds

1 that the recipient does not meet level of care criteria unless and until the executive office has:

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

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

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

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

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

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

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

34 The standards for adult day services for persons eligible for Medicaid-funded long-term

1 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-
2 8.10-3.

3 (3) By October 1, 2016, institute an increase in the base payment rates for home care
4 service providers, in an amount to be determined through the appropriations process, for the
5 purpose of implementing a wage pass-through program for personal care attendants and home
6 health aides assisting long-term care beneficiaries. On or before September 1, 2016, Medicaid-
7 funded home health providers seeking to participate in the program shall submit to the secretary
8 for his or her approval a written plan describing and attesting to the manner in which the
9 increased payment rates shall be passed through to personal care attendants and home health aides
10 in their salaries or wages less any attendant costs incurred by the provider for additional payroll
11 taxes, insurance contributions and other costs required by federal or state law, regulation, or
12 policy and directly attributable to the wage pass through program established in this section. Any
13 such providers contracting with a Medicaid managed care organization shall develop the plan for
14 the wage pass-through program in conjunction with the managed care entity and shall include an
15 assurance by the provider that the base-rate increase is implemented in accordance with the goal
16 of raising the wages of the health workers targeted in this subsection. Participating providers who
17 do not comply with the terms of their wage pass-through plan shall be subject to a clawback, paid
18 by the provider to the state, for any portion of the rate increase administered under this section
19 that the secretary deems appropriate.

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

29 (h) The executive office is also authorized, subject to availability of appropriation of
30 funding, and federal Medicaid-matching funds, to pay for certain services and supports necessary
31 to transition or divert beneficiaries from institutional or restrictive settings and optimize their
32 health and safety when receiving care in a home or the community . The secretary is authorized to
33 obtain any state plan or waiver authorities required to maximize the federal funds available to
34 support expanded access to such home and community transition and stabilization services;

1 provided, however, payments shall not exceed an annual or per person amount.

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

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

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

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

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

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

23 SECTION 6. Section 40-8.13-5 of the General Laws in Chapter 40-8.13 entitled "Long-
24 Term Managed Care Arrangements" is hereby amended to read as follows:

25 **40-8.13-5. Financial principles under managed care.** -- (a) To the extent that financial
26 savings are a goal under any managed long-term care arrangement, it is the intent of the
27 legislature to achieve such savings through administrative efficiencies, care coordination,
28 improvements in care outcomes and in a way that encourages the highest quality care for patients
29 and maximizes value for the managed care organization and the state. Therefore, any managed
30 long-term care arrangement shall include a requirement that the managed care organization
31 reimburse providers for services in accordance with these principles. Notwithstanding any law to
32 the contrary, for the twelve (12) month period beginning July 1, 2015, Medicaid managed long
33 term care payment rates to nursing facilities established pursuant to this section shall not exceed
34 ninety-eight percent (98.0%) of the rates in effect on April 1, 2015.

- 1 (1) For a duals demonstration project, the managed care organization:
- 2 (i) Shall not combine the rates of payment for post-acute skilled and rehabilitation care
- 3 provided by a nursing facility and long-term and chronic care provided by a nursing facility in
- 4 order to establish a single payment rate for dual eligible beneficiaries requiring skilled nursing
- 5 services;
- 6 (ii) Shall pay nursing facilities providing post-acute skilled and rehabilitation care or
- 7 long-term and chronic care rates that reflect the different level of services and intensity required
- 8 to provide these services; and
- 9 (iii) For purposes of determining the appropriate rate for the type of care identified in
- 10 subsection (1)(ii) of this section, the managed care organization shall pay no less than the rates
- 11 which would be paid for that care under traditional Medicare and Rhode Island Medicaid for
- 12 these service types. The managed care organization shall not, however, be required to use the
- 13 same payment methodology ~~as EOHHS~~.

14 The state shall not enter into any agreement with a managed care organization in

15 connection with a duals demonstration project unless that agreement conforms to this section, and

16 any existing such agreement shall be amended as necessary to conform to this subsection.

17 (2) For a managed long-term care arrangement that is not a duals demonstration project,

18 the managed care organization shall reimburse providers in an amount not less than the amount

19 that would be paid for the same care by EOHHS under the Medicaid program. The managed care

20 organization shall not, however, be required to use the same payment methodology as EOHHS.

21 (3) Notwithstanding any provisions of the general or public laws to the contrary, the

22 protections of subsections (1) and (2) of this section may be waived by a nursing facility in the

23 event it elects to accept a payment model developed jointly by the managed care organization and

24 skilled nursing facilities, that is intended to promote quality of care and cost effectiveness,

25 including, but not limited to, bundled payment initiatives, value-based purchasing arrangements,

26 gainsharing, and similar models.

27 (b) Notwithstanding any law to the contrary, for the twelve (12) month period beginning

28 July 1, 2015, Medicaid managed long-term care payment rates to nursing facilities established

29 pursuant to this section shall not exceed ninety-eight percent (98.0%) of the rates in effect on

30 April 1, 2015.

31 SECTION 7. Section 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled "The

32 Rhode Island Works Program" is hereby amended to read as follows:

33 **40-5.2-20. Child care assistance.** -- Families or assistance units eligible for childcare

34 assistance.

1 (a) The department shall provide appropriate child care to every participant who is
2 eligible for cash assistance and who requires child care in order to meet the work requirements in
3 accordance with this chapter.

4 (b) Low-Income child care. - The department shall provide child care to all other
5 working families with incomes at or below one hundred eighty percent (180%) of the federal
6 poverty level if, and to the extent, such other families require child care in order to work at paid
7 employment as defined in the department's rules and regulations. Beginning October 1, 2013, the
8 department shall also provide child care to families with incomes below one hundred eighty
9 percent (180%) of the federal poverty level if, and to the extent, such families require child care
10 to participate on a short-term basis, as defined in the department's rules and regulations, in
11 training, apprenticeship, internship, on-the-job training, work experience, work immersion, or
12 other job-readiness/job-attachment program sponsored or funded by the human resource
13 investment council (governor's workforce board) or state agencies that are part of the coordinated
14 program system pursuant to § 42-102-11.

15 (c) No family/assistance unit shall be eligible for child care assistance under this chapter
16 if the combined value of its liquid resources exceeds ten thousand dollars (\$10,000). Liquid
17 resources are defined as any interest(s) in property in the form of cash or other financial
18 instruments or accounts that are readily convertible to cash or cash equivalents. These include,
19 but are not limited to, cash, bank, credit union, or other financial institution savings, checking,
20 and money market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual
21 funds; and other similar financial instruments or accounts. These do not include educational
22 savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held
23 jointly with another adult, not including a spouse. The department is authorized to promulgate
24 rules and regulations to determine the ownership and source of the funds in the joint account.

25 (d) As a condition of eligibility for child care assistance under this chapter, the parent or
26 caretaker relative of the family must consent to, and must cooperate with, the department in
27 establishing paternity, and in establishing and/or enforcing child support and medical support
28 orders for all children in the family in accordance with title 15, as amended, unless the parent or
29 caretaker relative is found to have good cause for refusing to comply with the requirements of this
30 subsection.

31 (e) For purposes of this section, "appropriate child care" means child care, including
32 infant, toddler, pre-school, nursery school, school-age, that is provided by a person or
33 organization qualified, approved, and authorized to provide such care by the department of
34 children, youth, and families, or by the department of elementary and secondary education, or

1 such other lawful providers as determined by the department of human services, in cooperation
2 with the department of children, youth and families and the department of elementary and
3 secondary education.

4 (f)(1) Families with incomes below one hundred percent (100%) of the applicable
5 federal poverty level guidelines shall be provided with free childcare. Families with incomes
6 greater than one hundred percent (100%) and less than one hundred eighty (180%) of the
7 applicable federal poverty guideline shall be required to pay for some portion of the childcare
8 they receive, according to a sliding-fee scale adopted by the department in the department's rules.

9 (2) ~~For a thirty-six (36) month period beginning October 1, 2013, the child care subsidy~~
10 ~~transition program shall function within the department of human services. Under this program,~~
11 ~~families~~ Families who are ~~already~~ receiving childcare assistance and who become ineligible for
12 childcare assistance as a result of their incomes exceeding one hundred eighty percent (180%) of
13 the applicable federal poverty guidelines shall continue to be eligible for childcare assistance
14 from October 1, 2013, to September 30, ~~2016~~ 2017, or until their incomes exceed two hundred
15 twenty-five percent (225%) of the applicable federal poverty guidelines, whichever occurs first.
16 To be eligible, such families must continue to pay for some portion of the childcare they receive,
17 as indicated in a sliding-fee scale adopted in the department's rules and in accordance with all
18 other eligibility standards.

19 (g) In determining the type of childcare to be provided to a family, the department shall
20 take into account the cost of available childcare options; the suitability of the type of care
21 available for the child; and the parent's preference as to the type of child care.

22 (h) For purposes of this section, "income" for families receiving cash assistance under §
23 40-5.2-11 means gross earned income and unearned income, subject to the income exclusions in
24 subdivisions 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross,
25 earned and unearned income as determined by departmental regulations.

26 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
27 the expenditures for childcare in accordance with the provisions of § 35-17-1.

28 (j) In determining eligibility for child care assistance for children of members of reserve
29 components called to active duty during a time of conflict, the department shall freeze the family
30 composition and the family income of the reserve component member as it was in the month prior
31 to the month of leaving for active duty. This shall continue until the individual is officially
32 discharged from active duty.

33 SECTION 8. Section 40.1-22-39 of the General Laws in Chapter 40.1-22 entitled
34 "Developmental Disabilities" is hereby amended to read as follows:

1 **40.1-22-39. Monthly reports to the general assembly.** -- On or before the fifteenth
2 (15th) day of each month, the department shall provide a monthly report of monthly caseload and
3 expenditure data pertaining to eligible developmentally disabled adults to the chairperson of the
4 house finance committee, the chairperson of the senate finance committee, the house fiscal
5 advisor, the senate fiscal advisor, and the state budget officer. The monthly report shall be in such
6 form, and in such number of copies, and with such explanation as the house and senate fiscal
7 advisors may require. It shall include, but is not limited to, the number of cases and expenditures
8 from the beginning of the fiscal year at the beginning of the prior month, cases added and denied
9 during the prior month, expenditures made, and the number of cases and expenditures at the end
10 of the month. The information concerning cases added and denied shall include summary
11 information and profiles of the service demand request for eligible adults meeting the state
12 statutory definition for services from the division of developmental disabilities as determined by
13 the division, including age, Medicaid eligibility and agency selection placement with a list of the
14 services provided, and the reasons for the determinations of ineligibility for those cases denied.

15 The department shall also provide monthly the number of individuals in a shared living
16 arrangement and how many may have returned to a 24-hour residential placement in that month.
17 The department shall also report monthly any and all information for the consent decree that has
18 been submitted to the federal court as well as the number of unduplicated individuals employed,
19 the place of employment and the number of hours working.

20 The department shall also provide the amount of funding allocated to individuals above
21 the assigned resource levels, the number of individuals and the assigned resource level and the
22 reasons for the approved additional resources.

23 The department shall also provide the amount of patient liability to be collected and the
24 amount collected as well as the number of individuals who have a financial obligation.

25 SECTION 9. Rhode Island Medicaid Reform Act of 2008 Resolution.
26 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled “The Rhode
27 Island Medicaid Reform Act of 2008”; and
28 WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Law § 42-
29 12.4-1, et seq. for federal waiver requests and/or state plan amendments; and
30 WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the
31 Executive Office of Health and Human Services (hereafter “the Secretary”) is responsible for the
32 review and coordination of any Medicaid section 1115 demonstration waiver requests and
33 renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan
34 or category II or III changes as described in the demonstration, with “the potential to affect the

1 scope, amount, or duration of publicly-funded health care services, provider payments or
2 reimbursements, or access to or the availability of benefits and services provided by Rhode Island
3 general and public laws”; and

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

7 (a) *Beneficiary Liability Collection Enhancements* – Federal laws and regulations require
8 beneficiaries who are receiving Medicaid-funded long-term services and supports (LTSS) to pay
9 a portion of any excess income they may have once eligibility has been determined toward in the
10 cost of care. The amount the beneficiary is obligated to pay is referred to as a *liability* or *cost-*
11 *share* and must be used solely for the purpose of offsetting the agency’s payment for the LTSS
12 provided. The EOHHS is seeking to implement new methodologies that will make it easier for
13 beneficiaries to make these payments and enhance the agency’s capacity to collect them in a
14 timely and equitable manner. The EOHHS may require federal state plan and/or waiver authority
15 to implement these new methodologies. Amended rules, regulations and procedures may also be
16 required.

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

22 (c) *Alternative Payment Arrangements* – The EOHHS proposes to leverage all available
23 resources by repurposing funds derived from various savings initiatives and obtaining federal
24 financial participation for costs not otherwise matchable to expand the reach and enhance the
25 effectiveness of alternative payment arrangements that maximize value and cost-effectiveness,
26 and tie payments to improvements in service quality and health outcomes. Amendments to the
27 section 1115 waiver and/or the Medicaid state plan may be required to implement any alternative
28 payment arrangements the EOHHS is authorized to pursue. EOHHS proposes to fund the R.I.
29 Health System Transformation Program by seeking federal authority for federal financial
30 participation (FFP) in financing both Costs Not Otherwise Matchable (CNOMS) and Designated
31 State Health Programs (DSHPs) that either not previously utilized although authorized or were
32 not authorized for federal financial participation prior to June 1, 2016 and for which authority is
33 obtained after June 1, 2016. Utilizing the funds made available by this new authority for federal
34 financial participation, the R.I. Health System Transformation Program will make payments to

1 health care providers to reward and encourage improvements in clinical quality, patient
2 experience and health system integration. Eligibility for these Health System Transformation
3 Program payments will be made to health care providers participating in Alternative Payment
4 Arrangements including, but not limited to, accountable entities and to those engaged in
5 electronic exchange of clinical information necessary for optimal management of patient care.

6 (d) *Federal Financing Opportunities.* The EOHHS proposes to review Medicaid
7 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of
8 2010 and various other recently enacted federal laws and pursue any changes in the Rhode Island
9 Medicaid program that promote service quality, access and cost-effectiveness that may warrant a
10 Medicaid State Plan Amendment or amendment under the terms and conditions of Rhode Island's
11 section 1115 Waiver, its successor, or any extension thereof. Any such actions the EOHHS takes
12 shall not have an adverse impact on beneficiaries or cause an increase in expenditures beyond the
13 amount appropriated for state fiscal year 2017; now, therefore, be it

14 RESOLVED, that the general assembly hereby approves proposals (a) through (d) listed
15 above to amend the demonstration; and be it further

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

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

20 SECTION 10. This article shall take effect upon passage, except as otherwise provided
21 herein.

1 **ARTICLE 8 AS AMENDED**

2 RELATING TO MUNICIPALITIES

3 SECTION 1. Section 45-12-22.2 of the General laws in Chapter 45-12 entitled
4 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

5 **45-12-22.2. Monitoring of financial operations – Corrective action.** -- Subsections (a)
6 through ~~(e)~~(h) below shall apply to cities and towns.

7 (a) The chief financial officer of each municipality and each school district within the
8 state shall continuously monitor financial operations by tracking actual versus budgeted revenue
9 and expense.

10 (b) The chief financial officer of the municipality shall submit a report on a monthly basis
11 to the municipality's chief executive officer, each member of the city or town council, and school
12 district committee certifying the status of the municipal budget from all fund sources, including
13 the school department budget from all fund sources, or regional school district budget from all
14 fund sources. The chief financial officer of the municipality shall also submit ~~a quarterly report~~
15 ~~on or before the 25th day of the month succeeding the end of each fiscal quarter~~ budget-to-actual
16 financial information on or before the 25th day succeeding the last day of the sixth, ninth, and
17 twelfth month of each fiscal year to the division of municipal finance, ~~the commissioner of~~
18 ~~education, and the auditor general~~ pursuant to the provisions outlined in section (d) certifying the
19 status of the municipal budget, including the school budget that has been certified by the school
20 department. ~~Each quarterly report submitted must be signed by the chief executive officer, chief~~
21 ~~financial officer, the superintendent of the school district, and chief financial officer for the~~
22 ~~school district. The report has to be submitted to the city own council president and the school~~
23 ~~committee chair. It is encouraged, but not required, to have the council president/school~~
24 ~~committee chair sign the report.~~ The chief financial officer of the school department or school
25 district shall certify the status of the school district's budget and shall assist in the preparation of
26 these reports. The monthly report and ~~quarterly reports~~ budget-to-actual financial information as
27 required in this section shall be in a format prescribed by the division of municipal finance, the
28 commissioner of education, and the state auditor general. The budget-to-actual financial
29 information and the monthly reports shall contain a statement as to whether any actual or
30 projected shortfalls in budget line items are expected to result in a year-end deficit; the projected

1 impact on year-end financial results, including all accruals and encumbrances; and how the
2 municipality and school district plans to address any such shortfalls. In the event that the school
3 reporting is not provided, then state education aid may be withheld pursuant to the provisions of §
4 16-2-9.4(d).

5 (c) In order to facilitate electronic upload to the "Transparency Portal" as defined herein,
6 the chief financial officer of the municipality shall also submit, as part of the annual audited
7 financial statements of the municipality, a municipal data report for the municipality's general
8 fund containing content and in a format designated by the division of municipal finance and the
9 office of the auditor general. Such municipal data report shall be included in the scope of the
10 annual audit and shall be included in the municipality's financial statements as supplementary
11 information.

12 (d) All budget-to-actual financial information as required in (b), municipal data report as
13 required in (c), and reports required pursuant to the provisions of § 44-35-10 shall be submitted to
14 the division of municipal finance through the use of the division's Transparency Portal, in the
15 format required by the division of municipal finance, which will be located on the division's
16 website. The division of municipal finance will create a finalized report from all information
17 submitted through the Transparency Portal ("Transparency Report"). The division of municipal
18 finance will submit the Transparency Report to the municipality to be signed by the chief
19 executive officer, chief financial officer, superintendent of the school district, and chief financial
20 officer for the school district. All signed Transparency Reports shall be posted to the
21 municipality's website within ten (10) business days of receipt of such report. The municipalities
22 shall provide a copy of the signed Transparency Report to the commissioner of education, the
23 office of the auditor general, the municipality's council president, and the school committee chair.
24 In addition, a copy of the signed Transparency Report which has been designated by the division
25 of municipal finance for the inclusion in the municipalities audited financial statements shall be
26 provided by the municipality to its auditor.

27 ~~(e)~~(e) If any of the ~~quarterly reports~~ budget-to-actual financial information required under
28 subsection (b) project a year-end deficit, the chief financial officer of the municipality shall
29 submit to the state division of municipal finance, the commissioner of education, and the auditor
30 general a corrective action plan signed by the chief executive officer and chief financial officer on
31 or before the last day of the month succeeding the close of the fiscal quarter in which budget-to-
32 actual financial information is required, which provides for the avoidance of a year-end deficit or
33 structural deficit that could impact future years, and the school superintendent shall also comply
34 with the provisions of § 16-2-11(c) to assist in this effort. The plan may include recommendations

1 as to whether an increase in property taxes and/or spending cuts should be adopted to eliminate
2 the deficit. The plan shall include a legal opinion by municipal counsel that the proposed actions
3 under the plan are permissible under federal, state, and local law. The state division of municipal
4 affairs may rely on the written representations made by the municipality in the plan and will not
5 be required to perform an audit.

6 ~~(f)~~ If the division of municipal finance concludes the plan required hereunder is
7 insufficient and/or fails to adequately address the financial condition of the municipality, the
8 division of municipal finance can elect to pursue the remedies identified in § 45-12-22.7.

9 ~~(g)~~ The monthly reports and budget-to-actual financial information required shall
10 include the financial operations of any departments or funds of municipal government, including
11 the school department or the regional school district, notwithstanding the status of the entity as a
12 separate legal body. This provision does not eliminate the additional requirements placed on local
13 and regional school districts by §§ 16-2-9(f) and 16-3-11(e)(3).

14 (h) The "Transparency Portal" shall be an electronic interface which will be implemented,
15 maintained, and monitored by the state division of municipal finance with the assistance of the
16 state department of administration. In addition, the division of municipal finance shall post to its
17 website a list of participating and non-participating entities for each reporting cycle identified
18 under subsections (b), (c), and required reports pursuant to § 44-35-10.

19 Subsections ~~(i)~~ through ~~(m)~~ below shall apply to fire districts.

20 ~~(i)~~ The treasurer/chief financial officer or other fiduciary, as applicable, of the fire
21 district within the state shall continuously monitor the fire district's financial operations by
22 tracking actual versus budgeted revenue and expense.

23 ~~(j)~~ The treasurer/chief financial officer or other fiduciary, as applicable, of the fire
24 district shall submit a quarterly report on or before the 25th day of the month succeeding the end
25 of each fiscal quarter to the division of municipal finance and the state auditor general certifying
26 the status of the fire district's budget. Each quarterly report submitted must be signed by the chair
27 of the governing body and the treasurer/chief financial officer. The report shall be submitted to
28 the members of the governing body and the members of the town council. The quarterly reports
29 shall be in a format prescribed by the division of municipal finance and the state auditor general.
30 The reports shall contain a statement as to whether any actual or projected shortfalls in budget
31 line items are expected to result in a year-end deficit; the projected impact on year-end financial
32 results including all accruals and encumbrances; and how the fire district plans to address any
33 such shortfalls.

34 ~~(k)~~ If any of the quarterly reports required under subsection (g) above project a year-

1 end deficit, the treasurer/chief financial officer or other fiduciary, as applicable, of the fire district
2 shall submit to the division of municipal finance and the state auditor general a corrective action
3 plan signed by the chair of the governing body and treasurer/chief financial officer, or other
4 fiduciary as applicable, of the fire district on or before the last day of the month succeeding the
5 close of the fiscal quarter, which provides for the avoidance of a year-end deficit or structural
6 deficit that could impact future years. The plan may include recommendations as to whether an
7 increase in property taxes and/or spending cuts should be adopted to eliminate the deficit. The
8 plan shall include a legal opinion by legal counsel that the proposed actions under the plan are
9 permissible under federal, state, and local law. Said plan shall be sent to the members of the fire
10 district's governing body and the members of the town council. The division of municipal finance
11 may rely on the written representations made by the governing body of the fire district in the plan
12 and is not be required to perform an audit.

13 ~~(l)~~ If the division of municipal finance concludes the plan required hereunder is
14 insufficient and/or fails to adequately address the financial condition of the fire district, the
15 division of municipal finance can elect to pursue the remedies identified in § 45-12-22.7.

16 ~~(m)~~ The reports and plans required above shall also include, but not be limited to, a
17 comprehensive overview of the financial operations of the fire district, including a list of the
18 value of the fire district's assets (tangibles and intangibles) and liabilities.

19 SECTION 2. Section 44-35-10 of the General laws in Chapter 44-35 entitled "Property
20 Tax and Fiscal Disclosure – Municipal Budgets" is hereby amended to read as follows:

21 **44-35-10. Balanced municipal budgets – Additional reporting requirements –**
22 **Electronic reporting/municipal uniform chart of accounts.** -- (a) The operating budgets for all
23 cities and towns shall provide for total appropriations which do not exceed total estimated
24 receipts, taking into account any general fund surplus or deficit estimated to be carried over from
25 the current fiscal year. The funding of accumulated deficits shall be consistent with the provisions
26 of § 45-12-22.

27 (b) The chief elected official in each city and town shall provide to the division of
28 municipal finance within thirty (30) days of final action, in the form and format required by the
29 division, the adopted budget survey.

30 (c) Within thirty (30) days of final action as referenced in subsection (b) above each city
31 or town shall provide to the division a five (5) year forecast, in the form and format required by
32 the division, for major funds as defined by generally accepted accounting principles as
33 established by the governmental accounting standards board (GASB). ~~The forecast shall include,~~
34 ~~but not be limited to, a scenario reflecting pensions and post-employment Benefits other than~~

1 ~~pensions (OPEB) obligations at one hundred percent (100%) of the annual required contribution~~
2 ~~(ARC), both for the general and unrestricted school funds.~~ The forecast shall also reflect any and
3 all underlying assumptions.

4 (d) The reports required under (b) and (c) above shall be submitted in accordance with
5 the requirements outlined under § 45-12-22.2 (d).

6 ~~(e)~~(e) Within sixty (60) days of executing changes in healthcare benefits, pension
7 benefits and OPEB a municipality shall provide a fiscal impact statement to the division of
8 municipal finance, reflecting the impact on any unfunded liability and ARC, as well as the impact
9 on the five (5) year forecast. The fiscal impact statements shall show underlying actuarial
10 assumptions and provide support for underlying assumptions.

11 ~~(f)~~(f) A municipality shall join electronic reporting/implement municipal uniform chart
12 of accounts (UCOA), within six (6) months of implementation.

13 SECTION 3. Section 42-142-4 of the General laws in Chapter 42-142 entitled
14 "Department of Revenue" is hereby amended to read as follows:

15 **42-142-4. Division of property valuation and municipal finance.** -- (a) There is hereby
16 established within the department of revenue a division of property valuation and municipal
17 finance. The head of the office shall be the chief of property valuation and municipal finance.

18 (b) The division of property valuation and municipal finance shall have the following
19 duties:

20 (i) Provide assistance and guidance to municipalities in complying with state law;

21 (ii) ~~To e~~Encourage cooperation between municipalities and the state in calculating,
22 evaluating and distributing state aid;

23 (iii) ~~To maintain a data center of information of use to municipalities;~~ Encourage the
24 exchange of information between the division and other governmental entities in an effort to
25 increase shared services by making available, through the use of web based applications or other
26 mediums municipal vendor contracts and/or any other data the division deems appropriate.

27 (iv) ~~To m~~Maintain and compute financial and equalized property value information for
28 the benefit of municipalities and public policy decision makers;

29 (v) ~~To e~~Encourage and assure compliance with state laws and policies relating to
30 municipalities especially in the areas of public disclosure, tax levies, financial reporting, and
31 property tax issues;

32 (vi) ~~To e~~Encourage cooperation between municipalities and the state by distributing
33 information and by providing technical assistance to municipalities;

34 (vii) ~~To g~~Give guidance to public decision makers on the equitable distribution of state

1 aid to municipalities; [and](#)

2 (viii) ~~Fe p~~ Provide technical assistance for property tax administration.

3 SECTION 4. Section 45-13-12 of the General Laws in Chapter 45-13 entitled "State Aid"
4 is hereby amended to read as follows:

5 **45-13-12. Distressed communities relief fund.** -- (a) There is established a fund to
6 provide state assistance to those Rhode Island cities and towns which have the highest property
7 tax burdens relative to the wealth of taxpayers.

8 (b) *Establishment of indices.* Four (4) indices of distress shall be established to determine
9 eligibility for the program. Each community shall be ranked by each distress index and any
10 community which falls into the lowest twenty percent (20%) of at least three (3) of the four (4)
11 indices shall be eligible to receive assistance. The four (4) indices are established as follows:

12 (1) *Percent of tax levy to full value of property.* This shall be computed by dividing the
13 tax levy of each municipality by the full value of property for each municipality. For the 1990-91
14 fiscal year, tax levy and full value shall be as of the assessment date December 31, 1986.

15 (2) *Per capita income.* This shall be the most recent estimate reported by the U.S.
16 Department of Commerce, Bureau of the Census.

17 (3) *Percent of personal income to full value of property.* This shall be computed by
18 multiplying the per capita income above by the most recent population estimate as reported by the
19 U.S. Department of Commerce, Bureau of the Census, and dividing the result by the full value of
20 property.

21 (4) *Per capita full value of property.* This shall be the full value of property divided by
22 the most recent estimate of population by the U.S. Department of Commerce, Bureau of the
23 Census.

24 (c) *Distribution of funds.* Funds shall be distributed to each eligible community on the
25 basis of the community's tax levy relative to the total tax levy of all eligible communities. For the
26 fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December
27 31, 1988. For each fiscal year thereafter, except for fiscal year 2007-2008, the reference year and
28 the fiscal year shall bear the same relationship. For the fiscal year 2007-2008 the reference year
29 shall be the same as for the distributions made in fiscal year 2006-2007.

30 Any newly qualifying community shall be paid fifty percent (50%) of current law
31 requirements the first year it qualifies. The remaining fifty percent (50%) shall be distributed to
32 the other distressed communities proportionately. When any community falls out of the distressed
33 community program, it shall receive a one-time payment of fifty percent (50%) of the prior year
34 requirement exclusive of any reduction for first year qualification; [however, in the event that the](#)

1 total appropriation is increased from the prior year's appropriation, each eligible community shall
2 receive: (1) A distribution based on the community's tax levy relative to the total tax levy of all
3 eligible communities; and (2) A percentage of the amount of said increased appropriation which
4 percentage shall be calculated based on a community's distribution relative to the total increase in
5 the appropriation. The community shall be considered a distressed community in the fall-out
6 year.

7 *(d) Appropriation of funds.* The state of Rhode Island shall appropriate funds in the
8 annual appropriations act to support this program. For each of the fiscal years ending June 30,
9 2011, June 30, 2012, and June 30, 2013 seven hundred eighty-four thousand four hundred fifty-
10 eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying
11 distressed community.

12 *(e) Payments.* Payments shall be made to eligible communities each August.

13 *(f) Mandatory Participation for Collection of Debts.* Any community determined to be a
14 distressed community under this chapter shall, within three (3) months of said determination,
15 contract with the tax administrator, in accordance with § 42-142-7, to allow the tax administrator
16 to collect outstanding liabilities owed to the distressed community. The division of municipal
17 finance shall determine which of said liabilities shall be subject to the collection by the tax
18 administrator.

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

ARTICLE 9 AS AMENDED

RELATING TO DIVISION OF MOTOR VEHICLES

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

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

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

(c) Upon renewal, owners will be issued a renewal sticker for each registration plate which shall be placed at the bottom right hand corner of the plate. Owners shall be issued a new fully reflective plate beginning ~~July 1, 2016~~ [April 1, 2017](#) at the time of initial registration or at the renewal of an existing registration and reissuance will be conducted no less than every ten (10) years.

SECTION 2. Section 31-3-53 of the General Laws in Chapter 31-3 entitled "Registration of Vehicles" is hereby amended to read as follows:

31-3-53. Veterans' plates. -- (a) The registrar of motor vehicles shall issue for any motor vehicle eligible for registration as an automobile, or for any motorcycle eligible for registration as a motorcycle, or for a commercial vehicle having a gross weight of twelve thousand pounds (12,000 lbs.) or less, plates designated as "Veteran", "Purple Heart", and "Ex-POW" upon application on proper forms furnished by the administrator of the division of motor vehicles to veterans. ~~Gold Star parents shall also be eligible for plates designated as "Veteran".~~

(b) The special plate designated "Veteran" shall be designed as follows;

(1) Letters and numbers shall be blue in a white background with the words "Rhode Island" clearly visible at the top center of the plate and the word "Veteran" visible at the bottom center of the plate.

(2) The background will be a red, white, and blue waving American Flag.

(3) On the top right corner will be a decal with the military branch of the service in which the Veteran served (Army, Navy, Air Force, Marines, Coast Guard, [and](#) Merchant Marines;

1 ~~and Gold Star Parent).~~

2 (4) For war veterans, a white decal with blue letters with the words "War Veteran"
3 placed under the military branch decal on the right side of the plate above the validation sticker.

4 (c) The applicant shall not be required to pay a service charge ~~of twenty dollars (\$20.00)~~
5 ~~and or~~ a transfer charge ~~of five dollars (\$5.00)~~ for each plate.

6 (d) The applicant shall be entitled to a plate for each vehicle owned by the applicant
7 ~~upon payment of an additional service charge and/or transfer charge for each vehicle.~~

8 (e) The owner of a motor vehicle eligible for registration as a commercial vehicle and
9 having a gross weight of twelve thousand pounds (12,000 lbs.) or less who is issued veteran
10 plates shall continue to pay the appropriate commercial registration fee for those plates. The
11 owner of a motor vehicle eligible for registration as a commercial vehicle having a gross weight
12 of six thousand three hundred pounds (6,300 lbs.) but not more than twelve thousand pounds
13 (12,000 lbs.) shall sign an affidavit at the time of application for said plates stating that the
14 vehicle is to be used for personal use only.

15 (f) (1) For the purposes of this section, a "veteran" shall be defined as any person who
16 has served on active duty in the armed forces of the United States. The term "veteran" shall also
17 include members of the National Guard and Reserves: (i) Called to active duty authorized by the
18 President of the United States or the Secretary of Defense; or (ii) Who have twenty (20) years of
19 service with a letter and record of separation of service.

20 (2) For the purposes of this section, "War Veteran" shall be defined as any veteran of any
21 conflict or undeclared war who has earned a campaign ribbon or expeditionary medal for service
22 in either a declared or undeclared war as noted on the war veteran's DD-214. Upon the death of
23 the holder of any veteran plates, the plates shall be transferred to the surviving spouse for the
24 spouse's lifetime until he or she remarries.

25 (g) The "veteran" or "war veteran" described in subdivisions (f)(1)(i) or (ii) and (2) must
26 have been honorably discharged from the armed forces of this nation in order to receive plates
27 pursuant to this section and, for purposes of this section, a medical discharge or a general
28 discharge shall be deemed an honorable discharge.

29 ~~(h) For the purpose of this section, "Gold Star Parent" means a person who has lost a son~~
30 ~~or a daughter as a result of service with the armed forces of the United States of America;~~
31 ~~provided, the death was determined to be in the line of duty.~~

32 ~~(+)~~(h) Veterans who have served in multiple conflicts are entitled to be issued veterans'
33 plates equal to the number of conflicts he or she served in; provided, the plates are limited to the
34 number of vehicles owned by the veteran.

1 Ⓢ(i) A person shall be eligible for a veterans' plate if his or her deceased spouse was
2 eligible for a veterans' plate, notwithstanding the fact that the eligible, deceased spouse died prior
3 to the enactment of this section in 1988.

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

6 **31-3-104. Gold Star Parents.** -- (a) The administrator of the division of motor vehicles is
7 authorized and directed to issue a special registration plate for the motor vehicles of all Gold Star
8 Parents.

9 (b) For the purpose of this section, "Gold Star Parent" means a person who has lost a son
10 or a daughter as a result of service with the armed forces of the United States of America;
11 provided, the death was determined to be in the line of duty.

12 (c) The special plate designated "Gold Star Parent" shall be designed as follows:

13 (1) Letters and numbers shall be blue in a white background with the words "Rhode
14 Island" clearly visible at the top center of the plate

15 (2) The background will be a red, white, and blue waving American Flag.

16 (3) The top right corner is to bear the identification "Gold Star Parent".

17 (d) The applicant shall not be required to pay a service charge or a transfer charge for
18 each plate.

19 (e) The applicant shall be entitled to a plate for each vehicle owned by the applicant.

20 (f) The owner of a motor vehicle eligible for registration as a commercial vehicle and
21 having a gross weight of twelve thousand pounds (12,000 lbs.) or less who is issued Gold Star
22 Parent plates shall continue to pay the appropriate commercial registration fee for those plates.
23 The owner of a motor vehicle eligible for registration as a commercial vehicle having a gross
24 weight of six thousand three hundred pounds (6,300 lbs.) but not more than twelve thousand
25 pounds (12,000 lbs.) shall sign an affidavit at the time of application for said plates stating that
26 the vehicle is to be used for personal use only.

27 SECTION 4. Section 31-6-1 of the General Laws in Chapter 31-6 entitled "Registration
28 Fees" is hereby amended to read as follows:

29 **31-6-1. Amount of registration and miscellaneous fees.** -- (a) The following
30 registration fees shall be paid to the division of motor vehicles for the registration of motor
31 vehicles, trailers, semi-trailers, and school buses subject to registration for each year of
32 registration:

33 (1) For the registration of every automobile, when equipped with pneumatic tires, the
34 gross weight of which is not more than four thousand pounds (4,000 lbs.): thirty dollars (\$30.00).

1 ~~(2) For the registration of every motor truck or tractor when equipped with pneumatic~~
2 ~~tires, the gross weight of which is not more than four thousand pounds (4,000 lbs.): thirty-four~~
3 ~~dollars (\$34.00).~~

4 ~~(3)~~ (2) For the registration of every automobile, ~~motor truck or tractor,~~ when equipped
5 with pneumatic tires, the gross weight of which is:

6 (i) More than four thousand pounds (4,000 lbs.), but not more than five thousand pounds
7 (5,000 lbs.): forty dollars (\$40.00);

8 (ii) More than five thousand pounds (5,000 lbs.), but not more than six thousand pounds
9 (6,000 lbs.): forty-eight dollars (\$48.00);

10 (iii) More than six thousand pounds (6,000 lbs.), but not more than seven thousand
11 pounds (7,000 lbs.): fifty-six dollars (\$56.00);

12 (iv) More than seven thousand pounds (7,000 lbs.), but not more than eight thousand
13 pounds (8,000 lbs.): sixty-four dollars (\$64.00);

14 (v) More than eight thousand pounds (8,000 lbs.), but not more than nine thousand
15 pounds (9,000 lbs.): seventy dollars (\$70.00);

16 (vi) More than nine thousand pounds (9,000 lbs.), but not more than ten thousand pounds
17 (10,000 lbs.): seventy-eight dollars (\$78.00);

18 (vii) More than ten thousand pounds (10,000 lbs.), but not more than twelve thousand
19 pounds (12,000 lbs.): one hundred six dollars (\$106);

20 (viii) More than twelve thousand pounds (12,000 lbs.), but not more than fourteen
21 thousand pounds (14,000 lbs.): one hundred twenty-four dollars (\$124);

22 (ix) More than fourteen thousand pounds (14,000 lbs.), but not more than sixteen
23 thousand pounds (16,000 lbs.): one hundred forty dollars (\$140);

24 (x) More than sixteen thousand pounds (16,000 lbs.), but not more than eighteen
25 thousand pounds (18,000 lbs.): one hundred fifty-eight dollars (\$158);

26 (xi) More than eighteen thousand pounds (18,000 lbs.), but not more than twenty
27 thousand pounds (20,000 lbs.): one hundred seventy-six dollars (\$176);

28 (xii) More than twenty thousand pounds (20,000 lbs.), but not more than twenty-two
29 thousand pounds (22,000 lbs.): one hundred ninety-four dollars (\$194);

30 (xiii) More than twenty-two thousand pounds (22,000 lbs.), but not more than twenty-
31 four thousand pounds (24,000 lbs.): two hundred ten dollars (\$210);

32 (xiv) More than twenty-four thousand pounds (24,000 lbs.), but not more than twenty-six
33 thousand pounds (26,000 lbs.): two hundred thirty dollars (\$230);

34 (xv) More than twenty-six thousand pounds (26,000 lbs.), but not more than twenty-eight

1 thousand pounds (28,000 lbs.): two hundred ninety-six dollars (\$296);

2 (xvi) More than twenty-eight thousand pounds (28,000 lbs.), but not more than thirty

3 thousand pounds (30,000 lbs.): three hundred sixteen dollars (\$316);

4 (xvii) More than thirty thousand pounds (30,000 lbs.), but not more than thirty-two

5 thousand pounds (32,000 lbs.): four hundred and twenty-two dollars (\$422);

6 (xviii) More than thirty-two thousand pounds (32,000 lbs.), but not more than thirty-four

7 thousand pounds (34,000 lbs.): four hundred and forty-eight dollars (\$448);

8 (xix) More than thirty-four thousand pounds (34,000 lbs.), but not more than thirty-six

9 thousand pounds (36,000 lbs.): four hundred and seventy-six dollars (\$476);

10 (xx) More than thirty-six thousand pounds (36,000 lbs.), but not more than thirty-eight

11 thousand pounds (38,000 lbs.): five hundred and two dollars (\$502);

12 (xxi) More than thirty-eight thousand pounds (38,000 lbs.), but not more than forty

13 thousand pounds (40,000 lbs.): five hundred and twenty-eight dollars (\$528);

14 (xxii) More than forty thousand pounds (40,000 lbs.), but not more than forty-two

15 thousand pounds (42,000 lbs.): five hundred and fifty-four dollars (\$554);

16 (xxiii) More than forty-two thousand pounds (42,000 lbs.), but not more than forty-six

17 thousand pounds (46,000 lbs.): six hundred and eight dollars (\$608);

18 (xxiv) More than forty-six thousand pounds (46,000 lbs.), but not more than fifty

19 thousand pounds (50,000 lbs.): six hundred and sixty dollars (\$660);

20 (xxv) More than fifty thousand pounds (50,000 lbs.), but not more than fifty-four

21 thousand pounds (54,000 lbs.): seven hundred and twelve dollars (\$712);

22 (xxvi) More than fifty-four thousand pounds (54,000 lbs.), but not more than fifty-eight

23 thousand pounds (58,000 lbs.): seven hundred and sixty-eight dollars (\$768);

24 (xxvii) More than fifty-eight thousand pounds (58,000 lbs.), but not more than sixty-two

25 thousand pounds (62,000 lbs.): eight hundred and sixteen dollars (\$816);

26 (xxviii) More than sixty-two thousand pounds (62,000 lbs.), but not more than sixty-six

27 thousand pounds (66,000 lbs.): eight hundred and seventy-six dollars (\$876);

28 (xxix) More than sixty-six thousand pounds (66,000 lbs.), but not more than seventy

29 thousand pounds (70,000 lbs.): nine hundred and twenty-four dollars (\$924);

30 (xxx) More than seventy thousand pounds (70,000 lbs.), but not more than seventy-four

31 thousand pounds (74,000 lbs.): nine hundred and seventy-two dollars (\$972);

32 (xxxi) Over seventy-four thousand pounds (74,000 lbs.): nine hundred and seventy-two

33 dollars (\$972), plus twenty-four dollars (\$24.00) per two thousand pounds (2,000 lbs.) gross

34 weight.

1 ~~(4)~~(3) For the registration of every semi-trailer to be used with a truck-tractor as defined
2 in ~~§ 31-1-4(a)~~ §31-1-4(d) shall be as follows: an annual fee of twelve dollars (\$12.00) for a one
3 year registration, for multi-year registrations the fee of fifty dollars (\$50.00) for a five (5) year
4 registration and eighty dollars (\$80.00) for an eight (8) year registration. However, when in use
5 the weight of the resulting semi-trailer unit and its maximum carrying capacity shall not exceed
6 the gross weight of the original semi-trailer unit from which the gross weight of the tractor was
7 determined. A registration certificate and registration plate shall be issued for each semi-trailer so
8 registered. There shall be no refund of payment of such fee, except that when a plate is returned
9 prior to ninety (90) days before the effective date of that year's registration, the pro rate amount,
10 based on the unused portion of the multi-year registration plate period at time of surrender, shall
11 be refunded. A multi-year semi-trailer registration may be transferred to another semi-trailer
12 subject to the provisions and fee set forth in § 31-6-11. Thirty percent (30%) of the semi-trailer
13 registration fee shall be retained by the division of motor vehicles to defray the costs of
14 implementation of the international registration plan (IRP) and fleet registration section.

15 ~~(5)~~(4) For the registration of every automobile, ~~motor truck, or tractor,~~ when equipped
16 with other than pneumatic tires, there shall be added to the above gross weight fees a charge of
17 ten cents (10/c) for each one hundred (100) pounds of gross weight.

18 ~~(6)~~(5) For the registration of every public bus, the rates provided for motor vehicles for
19 hire plus two dollars (\$2.00) for each passenger which that bus is rated to carry, the rating to be
20 determined by the administrator of the division of motor vehicles.

21 ~~(7)~~(6) For the registration of every motorcycle, or motor-driven cycle, thirteen dollars
22 (\$13.00). Three dollars (\$3.00) from that sum shall be turned over to the department of education
23 to assist in the payment of the cost of the motorcycle driver's education program as enumerated in
24 § 31-10.1-1.1.

25 ~~(8)~~(7) For the registration of every trailer not including semi-trailers used with a truck-
26 tractor as defined in ~~§ 31-1-4(a)~~ §31-1-4(d), with a gross weight of three thousand pounds (3,000
27 lbs.) or less, five dollars (\$5.00). Trailers with a gross weight of more than three thousand pounds
28 (3,000 lbs.) shall be assessed a registration fee of one dollar and fifty cents (\$1.50) per thousand
29 pounds (1,000 lbs.).

30 ~~(9)~~(8) The annual registration fee for a motor vehicle, commonly described as a boxcar
31 and/or locomotive, and used only by la societe des 40 hommes et 8 chevaux for civic
32 demonstration, parades, convention purposes or social welfare work, shall be two dollars (\$2.00).

33 ~~(10)~~(9) For the registration of every motor vehicle, trailer, or semi-trailer owned by any
34 department or agency of any city or town or district, provided the name of the city or town or

1 district or state department or agency owning the same shall be plainly printed on two (2) sides of
2 the vehicle, two dollars (\$2.00).

3 ~~(11)~~(10) For the registration of motor vehicles used for racing, fifteen dollars (\$15.00).

4 ~~(12)~~(11) For every duplicate registration certificate, seventeen dollars (\$17.00).

5 ~~(13)~~(12) For every certified copy of a registration certificate or application, ten dollars
6 (\$10.00).

7 ~~(14)~~(13) For every certificate assigning a special identification number or mark as
8 provided in § 31-3-37, one dollar (\$1.00).

9 ~~(15)~~(14) For every replacement of number plates or additional pair of number plates,
10 without changing the number, thirty dollars (\$30.00).

11 ~~(16)~~(15) For the registration of every farm vehicle, used in farming as provided in § 31-
12 3-31, ten dollars (\$10.00).

13 ~~(17)~~(16) For the registration of antique motor vehicles, five dollars (\$5.00).

14 ~~(18)~~(17) For the registration of a suburban vehicle, when used as a pleasure vehicle and
15 the gross weight of which is not more than four thousand pounds (4,000 lbs.), the same rates as
16 charged in subdivision (1) of this subsection shall be applicable and when used as a commercial
17 vehicle and the gross weight of which is not more than four thousand pounds (4,000 lbs.), the
18 same rates as provided in subdivision (2) of this subsection shall be applicable. The rates in
19 subdivision (3) of this subsection shall be applicable when the suburban vehicle has a gross
20 weight of more than four thousand pounds (4,000 lbs.), regardless of the use of the vehicle.

21 ~~(19)~~(18) For the registration of every motor bus which is used exclusively under contract
22 with a political subdivision or school district of the state for the transportation of school children,
23 twenty-five dollars (\$25) provided that the motor bus may also be used for the transportation of
24 persons to and from church and Sunday school services, and for the transportation of children to
25 and from educational or recreational projects sponsored by a city or town or by any association or
26 organization supported wholly or in part by public or private donations for charitable purposes,
27 without the payment of additional registration fee.

28 ~~(20)~~(19) For the registration of every motorized bicycle, ten dollars (\$10.00).

29 ~~(21)~~(20) For the registration of every motorized tricycle, ten dollars (\$10.00).

30 ~~(22)~~(21) For the replacement of number plates with a number change, twenty dollars
31 (\$20.00).

32 ~~(23)~~(22) For the initial issuance and each reissuance of fully reflective plates as required
33 by §§ 31-3-10 and 31-3-32, an additional six dollars (\$6.00).

34 ~~(24)~~(23) For the issuance of a trip permit under the International Registration Plan,

1 twenty-five dollars (\$25.00) per vehicle. The division of motor vehicles is authorized to issue
2 seventy-two (72) hour trip permits for vehicles required to be registered in the International
3 Registration Plan that have not been apportioned with the state of Rhode Island.

4 ~~(25)~~(24) For the issuance of a hunter's permit under the International Registration Plan,
5 twenty-five dollars (\$25.00) per vehicle. The division of motor vehicles is authorized to issue
6 hunter's permits for motor vehicles based in the state of Rhode Island and otherwise required to
7 be registered in the International Registration Plan. These permits are valid for thirty (30) days.

8 ~~(26)~~(25) For the registration of a specially adapted motor vehicle necessary to transport a
9 family member with a disability for personal, noncommercial use, a fee of thirty dollars (\$30.00)
10 assessed.

11 (b) In the event that the registrant voluntarily cancels his registration within the period of
12 registration, the division of motor vehicles shall refund only that portion of the fee paid which
13 represents full-year segments of the registration fee paid.

14 SECTION 5. Chapter 31-6 of the General Laws entitled "Registration Fees" is hereby
15 amended by adding thereto the following section:

16 **31-6-1.1. Truck registration fees. -- (a) The following registration fees shall be paid to**
17 **the division of motor vehicles for the registration of motor trucks and tractors as defined in §31-1-**
18 **4 subject to registration for each year of registration:**

19 (1) For the registration of every motor truck or tractor when equipped with pneumatic
20 tires, the gross weight of which is not more than four thousand pounds (4,000 lbs.) thirty-four
21 dollars (\$34.00).

22 (2) For the registration of every motor truck or tractor, when equipped with pneumatic
23 tires, the gross weight of which is:

24 (i) More than four thousand pounds (4,000 lbs.), but not more than five thousand pounds
25 (5,000 lbs.): forty dollars (\$40.00);

26 (ii) More than five thousand pounds (5,000 lbs.), but not more than six thousand pounds
27 (6,000 lbs.): forty-eight dollars (\$48.00);

28 (iii) More than six thousand pounds (6,000 lbs.), but not more than seven thousand
29 pounds (7,000 lbs.): fifty-six dollars (\$56.00);

30 (iv) More than seven thousand pounds (7,000 lbs.), but not more than eight thousand
31 pounds: (8,000 lbs.) sixty-four dollars (\$64.00);

32 (v) More than eight thousand pounds (8,000 lbs.), but not more than nine thousand
33 pounds (9,000 lbs.): seventy dollars (\$70.00);

34 (vi) More than nine thousand pounds (9,000 lbs.), but not more than ten thousand pounds

- 1 (10,000 lbs.): seventy-eight dollars (\$78.00);
- 2 (vii) More than ten thousand pounds (10,000 lbs.), but not more than twelve thousand
3 pounds (12,000 lbs.): seventy-eight dollars (\$78);
- 4 (viii) More than twelve thousand pounds (12,000 lbs.), but not more than fourteen
5 thousand pounds (14,000 lbs.): ninety-two dollars (\$92);
- 6 (ix) More than fourteen thousand pounds (14,000 lbs.), but not more than sixteen
7 thousand pounds (16,000 lbs.): ninety-two dollars (\$92);
- 8 (x) More than sixteen thousand pounds (16,000 lbs.), but not more than eighteen
9 thousand pounds (18,000 lbs.): one hundred four dollars (\$104);
- 10 (xi) More than eighteen thousand pounds (18,000 lbs.), but not more than twenty
11 thousand pounds (20,000 lbs.): one hundred nine dollars (\$109);
- 12 (xii) More than twenty thousand pounds (20,000 lbs.), but not more than twenty-two
13 thousand pounds (22,000 lbs.): one hundred twenty dollars (\$120);
- 14 (xiii) More than twenty-two thousand pounds (22,000 lbs.), but not more than twenty-
15 four thousand pounds (24,000 lbs.): one hundred thirty dollars (\$130);
- 16 (xiv) More than twenty-four thousand pounds (24,000 lbs.), but not more than twenty-six
17 thousand pounds (26,000 lbs.): one hundred forty three dollars (\$143);
- 18 (xv) More than twenty-six thousand pounds (26,000 lbs.), but not more than twenty-eight
19 thousand pounds (28,000 lbs.): one hundred forty eight dollars (\$148);
- 20 (xvi) More than twenty-eight thousand pounds (28,000 lbs.), but not more than thirty
21 thousand pounds (30,000 lbs.): one hundred fifty eight dollars (\$158);
- 22 (xvii) More than thirty thousand pounds (30,000 lbs.), but not more than thirty-two
23 thousand pounds (32,000 lbs.): two hundred and eleven dollars (\$211);
- 24 (xviii) More than thirty-two thousand pounds (32,000 lbs.), but not more than thirty-four
25 thousand pounds (34,000 lbs.): two hundred and twenty-four dollars (\$224);
- 26 (xix) More than thirty-four thousand pounds (34,000 lbs.), but not more than thirty-six
27 thousand pounds (36,000 lbs.): two hundred and thirty-eight dollars (\$238);
- 28 (xx) More than thirty-six thousand pounds (36,000 lbs.), but not more than thirty-eight
29 thousand pounds (38,000 lbs.): two hundred and fifty one dollars (\$251);
- 30 (xxi) More than thirty-eight thousand pounds (38,000 lbs.), but not more than forty
31 thousand pounds (40,000 lbs.): two hundred and sixty-four dollars (\$264);
- 32 (xxii) More than forty thousand pounds (40,000 lbs.), but not more than forty-two
33 thousand pounds (42,000 lbs.): two hundred and seventy-seven dollars (\$277);
- 34 (xxiii) More than forty-two thousand pounds (42,000 lbs.), but not more than forty-six

1 thousand pounds (46,000 lbs.): three hundred and four dollars (\$304);
2 (xxiv) More than forty-six thousand pounds (46,000 lbs.), but not more than fifty
3 thousand pounds (50,000 lbs.): three hundred and thirty dollars (\$330);
4 (xxv) More than fifty thousand pounds (50,000 lbs.), but not more than fifty-four
5 thousand pounds (54,000 lbs.): three hundred and fifty-six dollars (\$356);
6 (xxvi) More than fifty-four thousand pounds (54,000 lbs.), but not more than fifty-eight
7 thousand pounds (58,000 lbs.): three hundred and eighty-four dollars (\$384);
8 (xxvii) More than fifty-eight thousand pounds (58,000 lbs.), but not more than sixty-two
9 thousand pounds (62,000 lbs.): four hundred and eight dollars (\$408);
10 (xxviii) More than sixty-two thousand pounds (62,000 lbs.), but not more than sixty-six
11 thousand pounds (66,000 lbs.): four hundred and thirty-eight dollars (\$438);
12 (xxix) More than sixty-six thousand pounds (66,000 lbs.), but not more than seventy
13 thousand pounds (70,000 lbs.): four hundred and sixty-two dollars (\$462);
14 (xxx) More than seventy thousand pounds (70,000 lbs.), but not more than seventy-two
15 thousand pounds (72,000 lbs.): four hundred and eighty-six dollars (\$486);
16 (xxxii) More than seventy-two thousand pounds (72,000 lbs.), but not more than seventy-
17 four thousand pounds (74,000 lbs.): four hundred ninety-eight dollars (\$498);
18 (xxxiii) More than seventy-four thousand pounds (74,000 lbs.), but not more than seventy-
19 six thousand pounds (76,000 lbs.): five hundred ten dollars (\$510);
20 (xxxiv) More than seventy-six thousand pounds (76,000 lbs.), but not more than seventy-
21 eight thousand pounds (78,000 lbs.): five hundred twenty-two dollars (\$522);
22 (xxxv) More than seventy-eight thousand pounds (78,000 lbs.), but not more than eighty
23 thousand pounds (80,000 lbs.): five hundred thirty-four dollars (\$534);
24 (xxxvi) More than eighty thousand pounds (80,000 lbs.), but not more than eighty-two
25 thousand pounds (82,000 lbs.): five hundred forty-six dollars (\$546);
26 (xxxvii) More than eighty-two thousand pounds (82,000 lbs.), but not more than eighty-
27 four thousand pounds (84,000 lbs.): five hundred fifty-eight dollars (\$558);
28 (xxxviii) More than eighty-four thousand pounds (84,000 lbs.), but not more than eighty-
29 six thousand pounds (86,000 lbs.): five hundred seventy dollars (\$570);
30 (xxxix) More than eighty-six thousand pounds (86,000 lbs.), but not more than eighty-
31 eight thousand pounds (88,000 lbs.): five hundred eighty-two dollars (\$582);
32 (xl) More than eighty-eight thousand pounds (88,000 lbs.), but not more than ninety
33 thousand pounds (90,000 lbs.): five hundred ninety-four dollars (\$594);
34 (xli) More than ninety thousand pounds (90,000 lbs.), but not more than ninety-two

1 thousand pounds (92,000 lbs.): six hundred six dollars (\$606);
2 (xl) More than ninety-two thousand pounds (92,000 lbs.), but not more than ninety-four
3 thousand pounds (94,000 lbs.): six hundred eighteen dollars (\$618);
4 (xlii) More than ninety-four thousand pounds (94,000 lbs.), but not more than ninety-six
5 thousand pounds (96,000 lbs.): six hundred thirty dollars (\$630);
6 (xlii) More than ninety-six thousand pounds (96,000 lbs.), but not more than ninety-eight
7 thousand pounds (98,000 lbs.): six hundred forty-two dollars (\$642);
8 (xliii) More than ninety-eight thousand pounds (98,000 lbs.), but not more than one
9 hundred thousand pounds (100,000 lbs.): six hundred fifty-four dollars (\$654);
10 (xliv) More than one hundred thousand pounds (100,000 lbs.), but not more than one
11 hundred two thousand pounds (102,000 lbs.): six hundred sixty-six dollars (\$666);
12 (xlv) More than one hundred two thousand pounds (102,000 lbs.), but not more than one
13 hundred four thousand pounds (104,000 lbs.): six hundred seventy-eight dollars (\$678);
14 (xlv) Over one hundred four thousand pounds (104,000 lbs.): six hundred and ninety
15 dollars (\$690), plus twelve dollars (\$12) per two thousand pounds (2,000 lbs.) gross weight.
16 (3) For the registration of every motor truck or tractor owned by any department or
17 agency of any city or town or district, provided the name of the city or town or district or state
18 department or agency owning the same shall be plainly printed on two (2) sides of the vehicle,
19 two dollars (\$2.00).
20 (4) For the replacement of number plates with a number change, twenty dollars (\$20.00).
21 (5) For the initial issuance and each reissuance of fully reflective plates as required by §§
22 31-3-10 and 31-3-32, an additional six dollars (\$6.00).
23 (6) For the issuance of a trip permit under the International Registration Plan, twenty-five
24 dollars (\$25.00) per vehicle. The division of motor vehicles is authorized to issue seventy-two
25 (72) hour trip permits for vehicles required to be registered in the International Registration Plan
26 that have not been apportioned with the state of Rhode Island.
27 (7) For the registration of every motor truck or tractor, when equipped with other than
28 pneumatic tires, there shall be added to the above gross weight fees a charge of ten cents (\$.10)
29 for each one hundred pounds (100 lbs.) of gross weight.
30 (8) For every duplicate registration certificate, seventeen dollars (\$17.00).
31 (9) For every certified copy of a registration certificate or application, ten dollars
32 (\$10.00).
33 (10) For every certificate assigning a special identification number or mark as provided in
34 §31-3-3 7, one dollar (\$1.00).

1 (11) For every replacement of number plates or additional pair of number plates, without
2 changing the number, thirty dollars (\$30.00).

3 (b) In the event that the registrant voluntarily cancels his registration within the period of
4 registration, the division of motor vehicles shall refund only that portion of the fee paid which
5 represents full-year segments of the registration fee paid.

6 SECTION 6. Sections 4 and 5 shall take effect on July 1, 2017. The remainder of the
7 articles shall take effect upon passage.

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ARTICLE 10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2016

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

	FY 2016	FY 2016	FY 2016
	Enacted	Change	Final
Administration			
<i>Central Management</i>			
General Revenues	2,806,924	56,642	2,863,566
Office of Digital Excellence	984,019	(240,862)	743,157
Total - Central Management	3,790,943	(184,220)	3,606,723
<i>Legal Services</i>			
General Revenues	2,166,696	(215,614)	1,951,082
<i>Accounts and Control</i>			
General Revenues	4,080,143	(113,997)	3,966,146
<i>Office of Management and Budget</i>			
General Revenues	4,146,713	261,716	4,408,429
Restricted Receipts	0	81,308	81,308
Total - Office of Management and Budget	4,146,713	343,024	4,489,737
<i>Purchasing</i>			
General Revenues	2,764,921	(197,728)	2,567,193

1	Other Funds	320,487	(45,250)	275,237
2	Total – Purchasing	3,085,408	(242,978)	2,842,430
3	<i>Auditing</i>			
4	General Revenues	1,476,262	(49,846)	1,426,416
5	<i>Human Resources</i>			
6	General Revenues	7,679,763	(322,018)	7,357,745
7	Federal Funds	800,576	(49,935)	750,641
8	Restricted Receipts	489,333	(21,186)	468,147
9	Other Funds	1,401,403	(6)	1,401,397
10	Total - Human Resources	10,371,075	(393,145)	9,977,930
11	<i>Personnel Appeal Board</i>			
12	General Revenues	119,874	14,570	134,444
13	<i>Facilities Management</i>			
14	General Revenues	32,172,352	(64,046)	32,108,306
15	Federal Funds	1,208,674	(51,034)	1,157,640
16	Restricted Receipts	376,880	13,766	390,646
17	Other Funds	3,923,319	(88,901)	3,834,418
18	Total – Facilities Management	37,681,225	(190,215)	37,491,010
19	<i>Capital Projects and Property Management</i>			
20	General Revenues	2,967,816	(1,329,538)	1,638,278
21	Federal Funds	21,955	(21,955)	0
22	Restricted Receipts	127,339	(127,339)	0
23	Other Funds- Statewide Capital			
24	Consolidation	495,821	(495,821)	0
25	Total – Capital Projects and			
26	Property Management	3,612,931	(1,974,653)	1,638,278
27	<i>Information Technology</i>			
28	General Revenues	20,201,589	(180,592)	20,020,997
29	Federal Funds	6,746,649	23,587	6,770,236
30	Restricted Receipts	10,193,681	6,491,097	16,684,778
31	Other Funds	2,829,157	(156,970)	2,672,187
32	Total – Information			
33	Technology	39,971,076	6,177,122	46,148,198
34	<i>Library and Information Services</i>			

1	General Revenues	1,229,995	(12,414)	1,217,581
2	Federal Funds	1,204,253	61,634	1,265,887
3	Restricted Receipts	180	(152)	28
4	Total - Library and Information			
5	Services	2,434,428	49,068	2,483,496
6	<i>Planning</i>			
7	General Revenues	1,316,146	(117,030)	1,199,116
8	Federal Funds	1,073,871	(61,978)	1,011,893
9	Other Funds			
10	Federal Highway – PL Systems			
11	Planning	3,254,638	(338,301)	2,916,337
12	Air Quality Modeling	0	24,000	24,000
13	Total - Planning	5,644,655	(493,309)	5,151,346
14	<i>General</i>			
15	General Revenues			
16	Miscellaneous Grants/Payments	971,049	0	971,049
17	Torts – Courts/Awards	400,000	0	400,000
18	State Employees/Teachers Retiree			
19	Health Subsidy	2,321,057	0	2,321,057
20	Resource Sharing and State Library			
21	Aid	8,773,398	0	8,773,398
22	RIPTA	2,000,000	0	2,000,000
23	Library Construction Aid	2,663,300	0	2,663,300
24	Federal Funds	4,345,555	0	4,345,555
25	Restricted Receipts	421,500	0	421,500
26	Rhode Island Capital Plan Funds			
27	Statehouse Renovations	575,000	55,905	630,905
28	DoIT Enterprise Operations Center	619,000	(219,000)	400,000
29	Cranston Street Armory	983,501	516,499	1,500,000
30	Cannon Building	1,465,000	(465,000)	1,000,000
31	Zambarano Building Rehabilitation	1,795,000	(80,000)	1,715,000
32	Pastore Center Rehab DOA Portion	2,793,000	(528,000)	2,265,000
33	Old State House	1,225,000	(155,000)	1,070,000
34	State Office Building	3,148,000	(1,548,000)	1,600,000

1	Old Colony House	695,000	0	695,000
2	William Powers Building	1,450,000	925,954	2,375,954
3	Pastore Center Utility Systems			
4	Upgrade	3,487,000	(2,840,000)	647,000
5	Replacement of Fueling Tanks	640,000	22,000	662,000
6	Environmental Compliance	200,000	(117,204)	82,796
7	Big River Management Area	120,000	50,000	170,000
8	Washington County Government			
9	Center	825,000	(400,000)	425,000
10	Veterans Memorial Auditorium	250,000	2,033	252,033
11	Chapin Health Laboratory	510,000	(372,000)	138,000
12	Pastore Center Parking	1,000,000	(1,000,000)	0
13	Pastore Center Water Tanks	280,000	323,000	603,000
14	RI Convention Center Authority	1,000,000	500,000	1,500,000
15	Dunkin Donuts Center	1,387,500	289,586	1,677,086
16	Mathias Building Renovation	3,100,000	(696,000)	2,404,000
17	McCoy Stadium	250,000	(100,000)	150,000
18	Pastore Power Plant	500,000	75,000	575,000
19	Virks Building Renovations	6,500,000	(4,305,000)	2,195,000
20	Harrington Hall Renovations	1,679,493	200,961	1,880,454
21	Accessibility – Facility Renovations	1,000,000	0	1,000,000
22	State House Energy Mgt			
23	Improvements	346,000	150,324	496,324
24	Veterans Land Purchase	250,000	705,750	955,750
25	Pastore Center Demolition	1,700,000	(1,530,000)	170,000
26	Zambarano Wood Chip Boiler	0	13,841	13,841
27	Pastore Cottages Rehabilitation	0	238,991	238,991
28	Ladd Center Demolition	0	176,551	176,551
29	Total – General	61,669,353	(10,108,809)	51,560,544

30 *Debt Service Payments*

31	General Revenues	99,137,176	13,412,539	112,549,715
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32 Of the general revenue appropriations for debt service, the General Treasurer is authorized to
33 make payments for the I-195 Redevelopment District Commission loan up to the maximum debt
34 service due in accordance with the loan agreement.

1	Federal Funds	2,657,152	0	2,657,152
2	Restricted Receipts	2,085,410	1,334,970	3,420,380
3	Other Funds			
4	Transportation Debt Service	46,011,341	0	46,011,341
5	Investment Receipts – Bond Funds	100,000	0	100,000
6	COPS - DLT Building – TDI	271,653	0	271,653
7	Total - Debt Service			
8	Payments	150,262,732	14,747,509	165,010,241
9	<i>Energy Resources</i>			
10	Federal Funds	406,587	30,503	437,090
11	Restricted Receipts	10,194,871	8,965,117	19,159,988
12	Total – Energy Resources	10,601,458	8,995,620	19,597,078
13	<i>Rhode Island Health Benefits Exchange</i>			
14	General Revenues	2,625,841	0	2,625,841
15	Federal Funds	24,746,063	867,126	25,613,189
16	Restricted Receipts	3,554,716	(19,951)	3,534,765
17	Total - Rhode Island Health			
18	Benefits Exchange	30,926,620	847,175	31,773,795
19	<i>Construction Permitting, Approvals and Licensing</i>			
20	General Revenues	1,615,416	91,637	1,707,053
21	Restricted Receipts	1,409,497	(151,084)	1,258,413
22	Total – Construction			
23	Permitting, Approvals and			
24	Licensing	3,024,913	(59,447)	2,965,466
25	<i>Office of Diversity, Equity, and Opportunity</i>			
26	General Revenues	1,098,841	(171,311)	927,530
27	Federal Funds	91,294	(91,294)	0
28	Other Funds	0	91,226	91,226
29	Total – Office of Diversity,			
30	Equity and Opportunity	1,190,135	(171,379)	1,018,756
31	<i>Personnel and Operational Reforms</i>			
32	General Revenues	(8,225,000)	8,075,000	(150,000)
33	Grand Total –			
34	Administration	368,031,640	25,051,476	393,083,116

1	Business Regulation			
2	<i>Central Management</i>			
3	General Revenues	1,326,772	37,711	1,364,483
4	<i>Banking Regulation</i>			
5	General Revenues	1,674,773	8,051	1,682,824
6	Restricted Receipts	37,000	13,000	50,000
7	Total–Banking Regulation	1,711,773	21,051	1,732,824
8	<i>Securities Regulation</i>			
9	General Revenues	962,697	6,999	969,696
10	Restricted Receipts	3,500	11,500	15,000
11	Total - Securities Regulation	966,197	18,499	984,696
12	<i>Insurance Regulation</i>			
13	General Revenues	3,885,752	(507,033)	3,378,719
14	Restricted Receipts	1,877,715	(116,857)	1,760,858
15	Total - Insurance Regulation	5,763,467	(623,890)	5,139,577
16	<i>Office of the Health Insurance Commissioner</i>			
17	General Revenues	535,017	(41,597)	493,420
18	Federal Funds	2,795,240	(26,336)	2,768,904
19	Restricted Receipts	11,500	0	11,500
20	Total – Office of the Health			
21	Insurance Commissioner	3,341,757	(67,933)	3,273,824
22	<i>Board of Accountancy</i>			
23	General Revenues	16,654	(10,654)	6,000
24	<i>Commercial Licensing, Racing & Athletics</i>			
25	General Revenues	561,821	75,130	636,951
26	Restricted Receipts	659,062	(7,869)	651,193
27	Total - Commercial Licensing,			
28	Racing & Athletics	1,220,883	67,261	1,288,144
29	<i>Boards for Design Professionals</i>			
30	General Revenues	273,009	(9,462)	263,547
31	Grand Total - Business			
32	Regulation	14,620,512	(567,417)	14,053,095
33	Executive Office of Commerce			
34	<i>Central Management</i>			

1	General Revenues	956,254	(253,290)	702,964
2	<i>Housing and Community Development</i>			
3	General Revenues	593,082	7,391	600,473
4	Federal Funds	10,983,803	2,735,075	13,718,878
5	Restricted Receipts	2,800,000	1,200,000	4,000,000
6	Total – Housing and Community			
7	Development	14,376,885	3,942,466	18,319,351
8	<i>Quasi-Public Appropriations</i>			
9	General Revenues			
10	Rhode Island Commerce			
11	Corporation	7,394,514	0	7,394,514
12	Rhode Island Commerce Corporation-			
13	Legislative Grants	1,026,492	(237,000)	789,492
14	Airport Impact Aid	1,025,000	0	1,025,000
15	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be			
16	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of			
17	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent			
18	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the			
19	calendar year 2015 at North Central Airport, Newport-Middletown Airport, Block Island Airport,			
20	Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island			
21	Commerce Corporation shall make an impact payment to the towns or cities in which the airport			
22	is located based on this calculation. Each community upon which any parts of the above airports			
23	are located shall receive at least \$25,000.			
24	STAC Research Alliance	1,150,000	0	1,150,000
25	Innovative Matching Grants/			
26	Internships	1,000,000	0	1,000,000
27	I-195 Redevelopment District			
28	Commission	761,000	170,305	931,305
29	Executive Office of Commerce			
30	Programs	3,100,000	500,000	3,600,000
31	Chafee Center at Bryant	376,200	0	376,200
32	Other Funds			
33	Rhode Island Capital Plan Funds			
34	I-195 Redevelopment District			

1	Commission	300,000	11,240	311,240
2	Total- Quasi-Public			
3	Appropriations	16,133,206	444,545	16,577,751
4	<i>Economic Development Initiatives Fund</i>			
5	General Revenues			
6	Small Business Assistance			
7	Program	5,458,000	0	5,458,000
8	Anchor Institution Tax Credits	1,750,000	(1,000,000)	750,000
9	Innovation Initiative	500,000	500,000	1,000,000
10	Cluster Grants	750,000	0	750,000
11	1-195 Development Fund	25,000,000	0	25,000,000
12	Affordable Housing Fund	3,000,000	0	3,000,000
13	Main Street RI Streetscape			
14	Improvements	1,000,000	0	1,000,000
15	Rebuild RI Tax Credit Fund	1,000,000	0	1,000,000
16	First Wave Closing Fund	5,000,000	0	5,000,000
17	Total- Economic Development Initiatives			
18	Fund	43,458,000	(500,000)	42,958,000
19	Grand Total - Executive			
20	Office of Commerce	74,924,345	3,633,721	78,558,066
21	Labor and Training			
22	<i>Central Management</i>			
23	General Revenues	110,537	8,442	118,979
24	Restricted Receipts	369,575	415,227	784,802
25	Other Funds			
26	Rhode Island Capital Plan Funds			
27	Center General Asset Protection	1,500,000	0	1,500,000
28	Center General Roof	256,691	986,358	1,243,049
29	Total - Central Management	2,236,803	1,410,027	3,646,830
30	<i>Workforce Development Services</i>			
31	General Funds <u>Revenues</u>	704,517	164,945	869,462
32	Federal Funds	19,475,428	19,003,651	38,479,079
33	Restricted Receipts	10,339,896	6,317,687	16,657,583
34	Other Funds	0	152,921	152,921

1	Total - Workforce Development			
2	Services	30,519,841	25,639,204	56,159,045
3	<i>Workforce Regulation and Safety</i>			
4	General Revenues	2,925,633	(73,836)	2,851,797
5	<i>Income Support</i>			
6	General Revenues	4,194,431	(52,635)	4,141,796
7	Federal Funds	18,688,633	(263,761)	18,424,872
8	Restricted Receipts	2,283,733	10,762,397	13,046,130
9	Other Funds			
10	Temporary Disability Insurance			
11	Fund	193,989,337	(10,377,270)	183,612,067
12	Employment Security Fund	180,000,000	(18,796,501)	161,203,499
13	Total - Income Support	399,156,134	(18,727,770)	380,428,364
14	<i>Injured Workers Services</i>			
15	Restricted Receipts	8,501,946	130,768	8,632,714
16	<i>Labor Relations Board</i>			
17	General Revenues	389,651	10,354	400,005
18	Grand Total - Labor and			
19	Training	443,730,008	8,388,747	452,118,755
20	Department of Revenue			
21	<i>Director of Revenue</i>			
22	General Revenues	1,144,238	(356,658)	787,580
23	<i>Office of Revenue Analysis</i>			
24	General Revenues	574,490	(21,258)	553,232
25	<i>Lottery Division</i>			
26	Other Funds	303,850,780	43,953,534	347,804,314
27	Rhode Island Capital Plan Funds			
28	Lottery Building Renovations	0	465,000	465,000
29	Total – Lottery Division	303,850,780	44,418,534	348,269,314
30	<i>Municipal Finance</i>			
31	General Revenues	2,186,998	275,728	2,462,726
32	<i>Taxation</i>			
33	General Revenues	19,725,849	(99,813)	19,626,036
34	Federal Funds	1,267,991	560,008	1,827,999

1	Restricted Receipts	877,550	41,160	918,710
2	Other Funds			
3	Motor Fuel Tax Evasion	16,148	160,000	176,148
4	Temporary Disability Insurance	932,395	29,692	962,087
5	Total – Taxation	22,819,933	691,047	23,510,980
6	<i>Registry of Motor Vehicles</i>			
7	General Revenues			
8	General Revenues	19,323,244	438,784	19,762,028
9	License Plate Issuance	3,000,000	(3,000,000)	0
10	All unexpended or unencumbered balances as of June 30, 2016 relating to license plate			
11	reissuance are hereby reappropriated to fiscal year 2017.			
12	Federal Funds	47,163	3,933,297	3,980,460
13	Restricted Receipts	2,094,763	1,000,000	3,094,763
14	Total - Registry of Motor			
15	Vehicles	24,465,170	2,372,081	26,837,251
16	<i>State Aid</i>			
17	General Revenue			
18	Distressed Communities Relief			
19	Fund	10,384,458	0	10,384,458
20	Payment in Lieu of Tax Exempt			
21	Properties	40,080,409	0	40,080,409
22	Motor Vehicle Excise Tax			
23	Payments	10,000,000	0	10,000,000
24	Property Revaluation Program	1,778,760	(394,510)	1,384,250
25	Municipal Aid	5,000,000	136,438	5,136,438
26	Restricted Receipts	922,013	0	922,013
27	Total – State Aid	68,165,640	(258,072)	67,907,568
28	Grand Total – Revenue	423,207,249	47,121,402	470,328,651
29	Legislature			
30	General Revenues	39,474,071	3,015,941	42,490,012
31	Restricted Receipts	1,680,873	(65,050)	1,615,823
32	Grand Total – Legislature	41,154,944	2,950,891	44,105,835
33	Lieutenant Governor			
34	General Revenues	1,127,621	(84,553)	1,043,068

1	Federal Funds	65,000	(65,000)	0
2	Grand Total - Lieutenant			
3	Governor	1,192,621	(149,553)	1,043,068
4	Secretary of State			
5	<i>Administration</i>			
6	General Revenues	2,553,390	23,047	2,576,437
7	<i>Corporations</i>			
8	General Revenues	2,302,691	(87,898)	2,214,793
9	<i>State Archives</i>			
10	General Revenues	69,266	0	69,266
11	Restricted Receipts	584,108	(77,823)	506,285
12	Total - State Archives	653,374	(77,823)	575,551
13	<i>Elections & Civics</i>			
14	General Revenues	1,017,899	(148,442)	869,457
15	Federal Funds	0	22,859	22,859
16	Restricted Receipts	0	35,000	35,000
17	Total – Elections & Civics	1,017,899	(90,583)	927,316
18	<i>State Library</i>			
19	General Revenues	551,744	4,159	555,903
20	<i>Office of Public Information</i>			
21	General Revenues	456,540	4,972	461,512
22	Restricted Receipts	15,000	10,000	25,000
23	Rhode Island Capital Plan Funds			
24	Charter Encasement	436,246	26,675	462,921
25	Total – Office of Public			
26	Information	907,786	41,647	949,433
27	Grand Total – Secretary of			
28	State	7,986,884	(187,451)	7,799,433
29	General Treasurer			
30	<i>Treasury</i>			
31	General Revenues	2,193,796	(110,863)	2,082,933
32	Federal Funds	267,251	40,662	307,913
33	Other Funds			
34	Temporary Disability Insurance			

1	Fund	218,818	15,596	234,414
2	Tuition Savings Program – Admin	300,000	0	300,000
3	Total – Treasury	2,979,865	(54,605)	2,925,260
4	<i>State Retirement System</i>			
5	Restricted Receipts			
6	Admin Expenses - State			
7	Retirement System	10,230,709	956,968	11,187,677
8	Retirement - Treasury Investment			
9	Operations	1,235,591	90,491	1,326,082
10	Defined Contribution –			
11	Administration	316,195	(216,885)	99,310
12	Total - State Retirement			
13	System	11,782,495	830,574	12,613,069
14	<i>Unclaimed Property</i>			
15	Restricted Receipts	22,350,267	3,497,221	25,847,488
16	<i>Crime Victim Compensation Program</i>			
17	General Revenues	226,454	(1,745)	224,709
18	Federal Funds	624,704	87,267	711,971
19	Restricted Receipts	1,130,908	(455)	1,130,453
20	Total - Crime Victim			
21	Compensation Program	1,982,066	85,067	2,067,133
22	Grand Total – General			
23	Treasurer	39,094,693	4,358,257	43,452,950
24	Board of Elections			
25	General Revenues	1,818,305	(20,437)	1,797,868
26	Rhode Island Ethics Commission			
27	General Revenues	1,644,876	(33,757)	1,611,119
28	Office of Governor			
29	General Revenues			
30	General Revenues	4,653,467	(16,308)	4,637,159
31	Contingency Fund	250,000	160,800	410,800
32	Grand Total – Office of			
33	Governor	4,903,467	144,492	5,047,959
34	Commission for Human Rights			

1	General Revenues	1,252,174	(8,282)	1,243,892
2	Federal Funds	295,836	15,038	310,874
3	Grand Total - Commission for			
4	Human Rights	1,548,010	6,756	1,554,766
5	Public Utilities Commission			
6	Federal Funds	90,000	0	90,000
7	Restricted Receipts	8,594,685	(12,336)	8,582,349
8	Grand Total - Public Utilities			
9	Commission	8,684,685	(12,336)	8,672,349
10	Office of Health and Human Services			
11	<i>Central Management</i>			
12	General Revenues	25,831,585	9,825,066	35,656,651
13	Federal Funds			
14	Federal Funds	93,178,746	73,825,817	167,004,563
15	Federal Funds – Stimulus	105,512	(5,427)	100,085
16	Restricted Receipts	5,122,130	(491,718)	4,630,412
17	Total – Central			
18	Management	124,237,973	83,153,738	207,391,711
19	<i>Medical Assistance</i>			
20	General Revenues			
21	Managed Care	289,075,534	6,287,533	295,363,067
22	Hospitals	109,655,465	(4,493,294)	105,162,171
23	Nursing Facilities	89,819,569	(1,285,531)	88,534,038
24	Home and Community Based			
25	Services	36,301,784	(3,512,984)	32,788,800
26	Other Services	40,661,162	(3,779,132)	36,882,030
27	Of this appropriation, \$496,800 shall be used for cortical integrative therapy services.			
28	Pharmacy	55,060,232	(1,284,273)	53,775,959
29	Rhody Health	263,528,734	17,402,308	280,931,042
30	Federal Funds			
31	Managed Care	323,366,137	21,270,796	344,636,933
32	Hospitals	110,175,915	(6,189,171)	103,986,744
33	Nursing Facilities	90,976,665	(3,510,704)	87,465,961
34	Home and Community			

1	Based Services	36,769,439	(3,558,238)	33,211,201
2	Other Services	523,288,344	(68,906,614)	454,381,730
3	Pharmacy	(408,865)	(44,262)	(453,127)
4	Rhody Health	265,780,865	16,288,093	282,068,958
5	Special Education	19,000,000	0	19,000,000
6	Restricted Receipts	10,615,000	0	10,615,000
7	Total - Medical Assistance	2,263,665,980	(35,315,473)	2,228,350,507
8	Grand Total – Office of Health			
9	and Human Services	2,387,903,953	47,838,265	2,435,742,218
10	Children, Youth, and Families			
11	<i>Central Management</i>			
12	General Revenues	5,575,757	613,269	6,189,026
13	Federal Funds	2,288,363	289,871	2,578,234
14	Total - Central Management	7,864,120	903,140	8,767,260
15	<i>Children's Behavioral Health Services</i>			
16	General Revenues	4,593,903	406,560	5,000,463
17	Federal Funds	5,700,246	(512,013)	5,188,233
18	Other Funds			
19	Rhode Island Capital Plan Funds			
20	NAFI Center	0	132,857	132,857
21	Mt. Hope – Fire Towers	0	137,500	137,500
22	Various Repairs and Improvements to			
23	Training School	1,113,586	(363,586)	750,000
24	Total - Children's Behavioral			
25	Health Services	11,407,735	(198,682)	11,209,053
26	<i>Juvenile Correctional Services</i>			
27	General Revenues	25,591,602	(494,712)	25,096,890
28	Federal Funds	276,098	1,387	277,485
29	Other Funds			
30	Rhode Island Capital Plan Funds			
31	Thomas C. Slater Trng School			
32	Maintenance Building	535,000	0	535,000
33	Generators-RITS	0	427,000	427,000
34	Total - Juvenile Correctional			

1	Services	26,402,700	(66,325)	26,336,375
2	<i>Child Welfare</i>			
3	General Revenues	116,626,469	1,669,474	118,295,943
4	Federal Funds			
5	Federal Funds	50,228,443	3,055,186	53,283,629
6	Federal Funds – Stimulus	433,976	(52,560)	381,416
7	Restricted Receipts	2,838,967	861,396	3,700,363
8	Other Funds			
9	Rhode Island Capital Plan Funds			
10	Fire Code Upgrades	590,000	(590,000)	0
11	Total - Child Welfare	170,717,855	4,943,496	175,661,351
12	<i>Higher Education Incentive Grants</i>			
13	General Revenues	200,000	0	200,000
14	Total – Higher Education Incentive			
15	Grants	200,000	0	200,000
16	Grand Total - Children, Youth,			
17	and Families	216,592,410	5,581,629	222,174,039
18	Health			
19	<i>Central Management</i>			
20	General Revenues	319,445	0	319,445
21	Federal Funds	6,513,489	1,425,980	7,939,469
22	Restricted Receipts	4,472,766	(225,017)	4,247,749
23	Total - Central Management	11,305,700	1,200,963	12,506,663
24	<i>State Medical Examiner</i>			
25	General Revenues	2,774,940	(119,312)	2,655,628
26	Federal Funds	138,641	9,783	148,424
27	Total - State Medical			
28	Examiner	2,913,581	(109,529)	2,804,052
29	<i>Environmental and Health Services Regulation</i>			
30	General Revenues	9,559,707	408,150	9,967,857
31	Federal Funds	8,148,952	(1,489,563)	6,659,389
32	Restricted Receipts	820,714	288,547	1,109,261
33	Total - Environmental and			
34	Health Services Regulation	18,529,373	(792,866)	17,736,507

1	<i>Health Laboratories</i>			
2	General Revenues	7,375,260	(384,941)	6,990,319
3	Federal Funds	1,976,761	172,550	2,149,311
4	Total - Health Laboratories	9,352,021	(212,391)	9,139,630
5	<i>Public Health Information</i>			
6	General Revenues	1,556,492	(88,235)	1,468,257
7	Federal Funds	2,326,827	(58,338)	2,268,489
8	Total – Public Health			
9	Information	3,883,319	(146,573)	3,736,746
10	<i>Community and Family Health and Equity</i>			
11	General Revenues	2,532,862	(25,877)	2,506,985
12	Federal Funds	40,588,026	5,094,678	45,682,704
13	Federal Funds - Stimulus	930,169	306,199	1,236,368
14	Restricted Receipts	24,520,035	7,630,908	32,150,943
15	Total – Community and Family Health			
16	and Equity	68,571,092	13,005,908	81,577,000
17	<i>Infectious Disease and Epidemiology</i>			
18	General Revenues	1,717,250	(156,541)	1,560,709
19	Federal Funds	5,129,569	(1,142,810)	3,986,759
20	Total – Infectious Disease and			
21	Epidemiology	6,846,819	(1,299,351)	5,547,468
22	Grand Total – Health	121,401,905	11,646,161	133,048,066
23	Human Services			
24	<i>Central Management</i>			
25	General Revenues	5,412,814	(789,750)	4,623,064
26	Federal Funds	4,180,956	(167,615)	4,013,341
27	Restricted Receipts	520,231	2,844	523,075
28	Total - Central Management	10,114,001	(954,521)	9,159,480
29	<i>Child Support Enforcement</i>			
30	General Revenues	2,996,584	(45,901)	2,950,683
31	Federal Funds	6,645,827	199,014	6,844,841
32	Total – Child Support			
33	Enforcement	9,642,411	153,113	9,795,524
34	<i>Individual and Family Support</i>			

1	General Revenues	22,970,906	(1,584,253)	21,386,653
2	Federal Funds	121,456,115	16,633,615	138,089,730
3	Federal Funds – Stimulus	6,222,500	2,707,454	8,929,954
4	Restricted Receipts	737,279	(184,517)	552,762
5	Other Funds			
6	Rhode Island Capital Plan Funds			
7	Blind Vending Facilities	165,000	35,000	200,000
8	Intermodal Surface Transportation			
9	Fund	4,428,478	0	4,428,478
10	Food Stamp Bonus Funding	0	500,000	500,000
11	Total - Individual and Family			
12	Support	155,980,278	18,107,299	174,087,577
13	<i>Veterans' Affairs</i>			
14	General Revenues	20,496,870	(234,985)	20,261,885
15	Federal Funds	8,215,161	628,064	8,843,225
16	Restricted Receipts	681,500	141,108	822,608
17	Total - Veterans' Affairs	29,393,531	534,187	29,927,718
18	<i>Health Care Eligibility</i>			
19	General Revenues	8,071,757	1,229,923	9,301,680
20	Federal Funds	11,437,561	455,640	11,893,201
21	Total - Health Care Eligibility	19,509,318	1,685,563	21,194,881
22	<i>Supplemental Security Income Program</i>			
23	General Revenues	18,706,478	(214,033)	18,492,445
24	Total - Supplemental Security Income			
25	Program	18,706,478	(214,033)	18,492,445
26	<i>Rhode Island Works</i>			
27	General Revenues	11,368,635	0	11,368,635
28	Federal Funds	79,065,723	(3,462,838)	75,602,885
29	Total – Rhode Island Works	90,434,358	(3,462,838)	86,971,520
30	<i>State Funded Programs</i>			
31	General Revenues	1,658,880	(65,988)	1,592,892
32	Of this appropriation, \$210,000 shall be used for hardship contingency payments.			
33	Federal Funds	268,085,000	14,000,000	282,085,000
34	Total - State Funded Programs	269,743,880	13,934,012	283,677,892

1	<i>Elderly Affairs</i>			
2	General Revenues			
3	Program Services	6,587,459	(461,231)	6,126,228
4	Care and Safety of the Elderly	1,300	0	1,300
5	Federal Funds	12,153,465	(765,115)	11,388,350
6	Restricted Receipts	137,026	(90,664)	46,362
7	Total – Elderly Affairs	18,879,250	(1,317,010)	17,562,240
8	Grand Total - Human Services	622,403,505	28,465,772	650,869,277
9	Behavioral Healthcare, Developmental Disabilities, and Hospitals			
10	<i>Central Management</i>			
11	General Revenues	1,015,570	(77,810)	937,760
12	Federal Funds	600,382	(608)	599,774
13	Total - Central Management	1,615,952	(78,418)	1,537,534
14	<i>Hospital and Community System Support</i>			
15	General Revenues	1,468,050	(260,111)	1,207,939
16	Federal Funds	0	763,155	763,155
17	Restricted Receipts	762,813	(762,813)	0
18	Other Funds			
19	Rhode Island Capital Plan Funds			
20	Medical Center Rehabilitation	150,000	281,860	431,860
21	Community Facilities Fire Code	400,000	(273,860)	126,140
22	Total - Hospital and Community			
23	System Support	2,780,863	(251,769)	2,529,094
24	<i>Services for the Developmentally Disabled</i>			
25	General Revenues	114,123,111	4,312,665	118,435,776
26	Federal Funds	113,792,233	5,592,042	119,384,275
27	Restricted Receipts	1,759,132	(173,383)	1,585,749
28	Other Funds			
29	Rhode Island Capital Plan Funds			
30	DD Private Waiver	300,000	(200,000)	100,000
31	Regional Center Repair/			
32	Rehabilitation	400,000	(137,356)	262,644
33	MR Community Facilities/Access to Ind.	500,000	203,088	703,088
34	Total - Services for the			

1	Developmentally Disabled	230,874,476	9,597,056	240,471,532
2	<i>Behavioral Healthcare Services</i>			
3	General Revenues	2,368,459	80,168	2,448,627
4	Federal Funds			
5	Federal Funds	14,572,783	2,519,857	17,092,640
6	<u>Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse Task</u>			
7	<u>Forces and \$128,000 shall be expended on NAMI of RI.</u>			
8	Municipal Substance Abuse Task Force	900,000	(900,000)	0
9	NAMI of RI	128,000	(128,000)	0
10	Restricted Receipts	100,000	0	100,000
11	Other Funds			
12	Rhode Island Capital Plan Funds			
13	MH Community Facilities Repair	400,000	(200,000)	200,000
14	MH Housing Development			
15	Thresholds	800,000	0	800,000
16	Substance Abuse Asset			
17	Protection	100,000	19,359	119,359
18	Total – Behavioral Healthcare			
19	Services	19,369,242	1,391,384	20,760,626
20	<i>Hospital and Community Rehabilitative Services</i>			
21	General Revenues	53,513,521	(1,198,151)	52,315,370
22	Federal Funds	52,611,788	494,583	53,106,371
23	Restricted Receipts	6,558,852	(52,195)	6,506,657
24	Other Funds			
25	Rhode Island Capital Plan Funds			
26	Zambarano Buildings and Utilities	346,000	54,000	400,000
27	BHDDH Administrative Buildings	2,000,000	43,529	2,043,529
28	MR Community Facilities	975,000	25,000	1,000,000
29	Hospital Equipment	300,000	0	300,000
30	Total Hospital and Community			
31	Rehabilitative Services	116,305,161	(633,234)	115,671,927
32	Grand Total – Behavioral			
33	Healthcare, Developmental			
34	Disabilities, and Hospitals	370,945,694	10,025,019	380,970,713

1	Office of the Child Advocate			
2	General Revenues	672,273	(2,856)	669,417
3	Federal Funds	45,000	0	45,000
4	Grand Total – Office of the Child			
5	Advocate	717,273	(2,856)	714,417
6	Commission on the Deaf and Hard of Hearing			
7	General Revenues	411,883	(2,843)	409,040
8	Restricted Receipts	80,000	50,000	130,000
9	Grand Total – Com on Deaf and			
10	Hard of Hearing	491,883	47,157	539,040
11	Governor's Commission on Disabilities			
12	General Revenues	383,056	(1,166)	381,890
13	Federal Funds	35,459	(3,812)	31,647
14	Restricted Receipts	10,009	22,881	32,890
15	Grand Total - Governor's Commission			
16	on Disabilities	428,524	17,903	446,427
17	Office of the Mental Health Advocate			
18	General Revenues	508,251	41,168	549,419
19	Elementary and Secondary Education			
20	<i>Administration of the Comprehensive Education Strategy</i>			
21	General Revenues	20,661,893	(1,334,573)	19,327,320
22	Federal Funds			
23	Federal Funds	196,281,901	4,409,503	200,691,404
24	Federal Funds – Stimulus	5,990,558	2,667,462	8,658,020
25	RTTT LEA Share	100,000	(100,000)	0
26	Restricted Receipts	1,082,319	134,750	1,217,069
27	HRIC Adult Education Grants	3,500,000	0	3,500,000
28	Other Funds			
29	Rhode Island Capital Plan Funds			
30	State-Owned Warwick	1,000,000	800,000	1,800,000
31	State-Owned Woonsocket	1,000,000	200,000	1,200,000
32	Total – Administration of the			
33	Comprehensive Education			
34	Strategy	229,616,671	6,777,142	236,393,813

1	<i>Davies Career and Technical School</i>			
2	General Revenues	11,640,152	0	11,640,152
3	Federal Funds	1,330,141	89,551	1,419,692
4	Restricted Receipts	4,281,107	74,237	4,355,344
5	Other Funds			
6	Rhode Island Capital Plan Funds			
7	Davies HVAC	895,000	(893,000)	2,000
8	Davies Asset Protection	770,000	0	770,000
9	Total - Davies Career and Technical			
10	School	18,916,400	(729,212)	18,187,188
11	<i>RI School for the Deaf</i>			
12	General Revenues	6,279,590	(231,025)	6,048,565
13	Federal Funds	259,714	(5,394)	254,320
14	Restricted Receipts	785,791	0	785,791
15	Other Funds			
16	Transformation Grants	59,000	0	59,000
17	Total - RI School for the Deaf			
		7,384,095	(236,419)	7,147,676
18	<i>Metropolitan Career and Technical School</i>			
19	General Revenues	9,864,425	0	9,864,425
20	Other Funds			
21	Rhode Island Capital Plan Funds			
22	MET Asset Protection	100,000	0	100,000
23	MET School HVAC	3,736,370	(3,286,306)	450,064
24	Total – Metropolitan Career and			
25	Technical School	13,700,795	(3,286,306)	10,414,489
26	<i>Education Aid</i>			
27	General Revenues	796,039,977	(12,465)	796,027,512
28	Restricted Receipts	19,299,709	1,413,857	20,713,566
29	Other Funds			
30	Permanent School Fund Education			
31	Aid	300,000	(300,000)	0
32	Total – Education Aid			
		815,639,686	1,101,392	816,741,078
33	<i>Central Falls School District</i>			
34	General Revenues	39,520,102	0	39,520,102

1	<i>School Construction Aid</i>			
2	General Revenues			
3	School Housing Aid	70,907,110	0	70,907,110
4	School Building Authority Capital			
5	Fund	20,000,000	0	20,000,000
6	Total – School Construction Aid	90,907,110	0	90,907,110
7	<i>Teachers' Retirement</i>			
8	General Revenues	92,805,836	0	92,805,836
9	Grand Total - Elementary and			
10	Secondary Education	1,308,490,695	3,626,597	1,312,117,292
11	Public Higher Education			
12	<i>Office of Postsecondary Commissioner</i>			
13	General Revenues	5,815,323	(11,505)	5,803,818
14	Federal Funds			
15	Federal Funds	10,149,301	948,382	11,097,683
16	WaytogoRI Portal	943,243	0	943,243
17	Guaranty Agency Operating Fund			
18	Scholarships and Grants	4,000,000	0	4,000,000
19	Other Funds			
20	Tuition Savings Program – Dual			
21	Enrollment	1,300,000	409,120	1,709,120
22	Tuition Savings Program – Scholarship/			
23	Grants	6,095,000	0	6,095,000
24	Total – Office of the			
25	Postsecondary Commissioner	28,302,867	1,345,997	29,648,864
26	<i>University of Rhode Island</i>			
27	General Revenues			
28	General Revenues	71,385,336	(231,401)	71,153,935
29	The University shall not decrease internal student financial aid in the 2015 – 2016			
30	academic year below the level of the 2014 – 2015 academic year. The President of the institution			
31	shall report, prior to the commencement of the 2015-2016 academic year, to the chair of the			
32	Council of Postsecondary Education that such tuition changes and student aid levels have been			
33	achieved at the start of the FY 2016 as prescribed above.			
34	Debt Service	18,186,018	(9,684,183)	8,501,835

1	RI State Forensics Lab	1,072,892	(5,535)	1,067,357
2	Other Funds			
3	University and College Funds	591,203,000	40,362,648	631,565,648
4	Debt – Dining Services	1,113,621	(3,082)	1,110,539
5	Debt – Education and General	3,599,062	(4,758)	3,594,304
6	Debt – Health Services	136,256	10,000	146,256
7	Debt – Housing Loan Funds	10,607,660	1,788	10,609,448
8	Debt – Memorial Union	324,358	(5,403)	318,955
9	Debt – Ryan Center	2,793,305	(1,000)	2,792,305
10	Debt – Alton Jones Services	103,119	0	103,119
11	Debt - Parking Authority	1,029,157	8,953	1,038,110
12	Debt – Sponsored Research	90,278	(500)	89,778
13	Debt – Energy Conservation	1,709,986	0	1,709,986
14	Debt – Restricted Energy			
15	Conservation	810,170	10	810,180
16	Rhode Island Capital Asset Plan Funds			
17	Asset Protection	7,686,900	0	7,686,900
18	Fire and Safety Protection	3,221,312	2,258,882	5,480,194
19	Electrical Substation	1,200,000	3,026,671	4,226,671
20	New Chemistry Building	4,000,000	0	4,000,000
21	URI/RIC Nursing Education Center	400,000	294,045	694,045
22	URI Bio-Tech Building	0	181,100	181,100
23	White Hall Renovations	0	534,394	534,394
24	Total – University of Rhode			
25	Island	720,672,430	36,742,629	757,415,059

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

29 *Rhode Island College*

30 General Revenues

31	General Revenues	44,988,362	(197,668)	44,790,694
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32 Rhode Island College shall maintain tuition charges in the 2015 – 2016 academic year at
33 the same level as the 2014 – 2015 academic year. The President of the institution shall report,
34 prior to the commencement of the 2015 – 2016 academic year, to the chair of the Council of

1 Postsecondary Education that such tuition charges and student aid levels have been achieved at
 2 the start of FY 2016 as prescribed above.

3	Debt Service	5,214,649	(3,809,446)	1,405,203
4	Other Funds			
5	University and College Funds	118,566,770	763,908	119,330,678
6	Debt – Education and General	879,147	(10)	879,137
7	Debt – Housing	2,013,281	(1,644,459)	368,822
8	Debt – Student Center and Dining	154,330	0	154,330
9	Debt – Student Union	235,481	0	235,481
10	Debt – G.O. Debt Service	1,644,459	0	1,644,459
11	Debt – Energy Conservation	256,275	(128,137)	128,138
12	Rhode Island Capital Plan Funds			
13	Asset Protection	3,080,400	2,189,496	5,269,896
14	Infrastructure Modernization	2,000,000	1,132,574	3,132,574
15	Total – Rhode Island College	179,033,154	(1,693,742)	177,339,412

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

19 *Community College of Rhode Island*

20	General Revenues			
21	General Revenues	47,965,855	(243,857)	47,721,998

22 The Community College of Rhode Island College shall maintain tuition charges in the
 23 2014 – 2015 academic year at the same level as the 2015 – 2016 academic year. The President of
 24 the institution shall report, prior to the commencement of the 2015 – 2016 academic year, to the
 25 chair of the Rhode Island Board of Education that such tuition charges and student aid levels have
 26 been achieved at the start of FY 2016 as prescribed above.

27	Debt Service	1,676,521	(1,138,284)	538,237
28	Restricted Receipts	653,200	0	653,200
29	Other Funds			
30	University and College Funds	106,862,884	(1,346,292)	105,516,592
31	CCRI Debt Service – Energy			
32	Conservation	808,425	0	808,425
33	Rhode Island Capital Plan Funds			
34	Asset Protection	2,184,100	0	2,184,100

1	Knight Campus Renewal	2,000,000	198,918	2,198,918
2	Total – Community College of			
3	RI	162,150,985	(2,529,515)	159,621,470
4	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or			
5	unencumbered balances as of June 30, 2016 relating to the Community College of Rhode Island			
6	are hereby reappropriated to fiscal year 2017.			
7	Grand Total – Public Higher			
8	Education	1,090,159,436	33,865,369	1,124,024,805
9	RI State Council on the Arts			
10	General Revenues			
11	Operating Support	778,478	(3,274)	775,204
12	Grants	1,084,574	(15,188)	1,069,386
13	Federal Funds	775,353	(1,057)	774,296
14	Other Funds			
15	Arts for Public Facilities	1,398,293	(492,993)	905,300
16	Grand Total - RI State Council			
17	on the Arts	4,036,698	(512,512)	3,524,186
18	RI Atomic Energy Commission			
19	General Revenues	957,170	(20,720)	936,450
20	Federal Funds	54,699	288,742	343,441
21	Other Funds			
22	URI Sponsored Research	275,300	(12,146)	263,154
23	Rhode Island Capital Plan Funds			
24	RINSC Asset Protection	50,000	28,931	78,931
25	Grand Total - RI Atomic Energy			
26	Commission	1,337,169	284,807	1,621,976
27	RI Historical Preservation and Heritage Commission			
28	General Revenues	1,380,972	45,183	1,426,155
29	Federal Funds	2,075,393	(69,641)	2,005,752
30	Restricted Receipts	428,630	(1,455)	427,175
31	Other Funds			
32	RIDOT – Project Review	71,708	3,659	75,367
33	Rhode Island Capital Plan Funds			
34	Eisenhower House	0	125,000	125,000

1	Grand Total – RI Historical Preservation			
2	and Heritage Commission	3,956,703	102,746	4,059,449
3	Attorney General			
4	<i>Criminal</i>			
5	General Revenues	15,461,041	(1,020,960)	14,440,081
6	Federal Funds	1,291,777	2,457,535	3,749,312
7	Restricted Receipts	6,353,595	(694,409)	5,659,186
8	Total – Criminal	23,106,413	742,166	23,848,579
9	<i>Civil</i>			
10	General Revenues	5,285,996	(226,802)	5,059,194
11	Restricted Receipts	896,735	(2,841)	893,894
12	Total – Civil	6,182,731	(229,643)	5,953,088
13	<i>Bureau of Criminal Identification</i>			
14	General Revenues	1,591,162	116,669	1,707,831
15	<i>General</i>			
16	General Revenues	2,855,011	160,293	3,015,304
17	Other Funds			
18	Rhode Island Capital Plan Funds			
19	Building Renovations and Repairs	300,000	0	300,000
20	Total – General	3,155,011	160,293	3,315,304
21	Grand Total - Attorney General	34,035,317	789,485	34,824,802
22	Corrections			
23	<i>Central Management</i>			
24	General Revenues	8,958,836	212,306	9,171,142
25	Federal Funds	118,361	228,692	347,053
26	Restricted Receipts	0	206,690	206,690
27	Total – Central Management	9,077,197	647,688	9,724,885
28	<i>Parole Board</i>			
29	General Revenues	1,345,685	45,924	1,391,609
30	Federal Funds	38,000	12,243	50,243
31	Total – Parole Board	1,383,685	58,167	1,441,852
32	<i>Custody and Security</i>			
33	General Revenues	127,071,484	2,802,109	129,873,593
34	Federal Funds	571,986	45,350	617,336

1	Restricted Receipts	0	35,000	35,000
2	Total – Custody and Security	127,643,470	2,882,459	130,525,929
3	<i>Institutional Support</i>			
4	General Revenues	16,595,667	(1,213,971)	15,381,696
5	Other Funds			
6	Rhode Island Capital Plan Funds			
7	Asset Protection	3,750,000	1,250,000	5,000,000
8	Maximum – General Renovations	900,000	(500,000)	400,000
9	General Renovations Women’s	416,000	270,925	686,925
10	Bernadette Guay Roof	500,000	(500,000)	0
11	ISC Exterior Envelope and HVAC	800,000	137,739	937,739
12	Minimum Security Kitchen Expansion	1,100,000	(1,100,000)	0
13	Medium Infrastructure	1,500,000	(1,200,000)	300,000
14	New Gloria McDonald Building	450,000	89,963	539,963
15	Total - Institutional Support	26,011,667	(2,765,344)	23,246,323
16	<i>Institutional Based Rehab./Population Management</i>			
17	General Revenues	9,524,559	69,296	9,593,855
18	Federal Funds	552,034	282,500	834,534
19	Restricted Receipts	29,464	14,108	43,572
20	Total – Institutional Based Rehab/Pop/Mgt.	10,106,057	365,904	10,471,961
21	<i>Healthcare Services</i>			
22	General Revenues	20,771,182	523,147	21,294,329
23	<i>Community Corrections</i>			
24	General Revenues	15,957,837	(194,715)	15,763,122
25	Federal Funds	57,000	5,348	62,348
26	Restricted Receipts	17,594	1,758	19,352
27	Total – Community Corrections	16,032,431	(187,609)	15,844,822
28	Grand Total – Corrections	211,025,689	1,524,412	212,550,101
29	Judiciary			
30	<i>Supreme Court</i>			
31	General Revenues			
32	General Revenues	27,107,017	1,023,779	28,130,796
33	Provided however, that no more than \$932,340 in combined total shall be offset to the Public			
34	Defender’s Office, the Attorney General’s Office, the Department of Corrections, the Department			

1 of Children Youth and Families, and the Department of Public Safety for square-footage
 2 occupancy costs in public courthouses.

3	Defense of Indigents	3,542,240	0	3,542,240
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 Funds			
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	Total - Supreme Court	39,376,432	1,113,770	40,490,202

13 *Judicial Tenure and Discipline*

14	General Revenues	121,527	(65)	121,462
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15 *Superior Court*

16	General Revenues	23,209,940	(245,693)	22,964,247
17	Federal Funds	50,406	67,880	118,286
18	Restricted Receipts	300,000	0	300,000
19	Total - Superior Court	23,560,346	(177,813)	23,382,533

20 *Family Court*

21	General Revenues	20,918,555	(625,453)	20,293,102
22	Federal Funds	3,014,025	(39,810)	2,974,215
23	Total - Family Court	23,932,580	(665,263)	23,267,317

24 *District Court*

25	General Revenues	12,589,546	(860,242)	11,729,304
26	Federal Funds	243,416	37,565	280,981
27	Restricted Receipts	169,251	(13,617)	155,634
28	Total - District Court	13,002,213	(836,294)	12,165,919

29 *Traffic Tribunal*

30	General Revenues	8,542,221	(142,255)	8,399,966
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31 *Workers' Compensation Court*

32	Restricted Receipts	7,763,807	89,247	7,853,054
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33	Grand Total – Judiciary	116,299,126	(618,673)	115,680,453
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34 **Military Staff**

1	General Revenues	2,065,434	247,974	2,313,408
2	Federal Funds	15,361,864	(653,236)	14,708,628
3	Restricted Receipts			
4	RI Military Relief Fund	300,000	0	300,000
5	Counter Drug Asset Forfeiture	23,300	64,000	87,300
6	Other Funds			
7	Rhode Island Capital Plan Funds			
8	Armory of Mounted Command Roof			
9	Rplmnt	357,500	(107,500)	250,000
10	Asset Protection	700,000	(309,488)	390,512
11	Benefit Street Arsenal Rehabilitation	0	773,423	773,423
12	Burrillville Regional Training Institute	0	22,150	22,150
13	Joint Force Headquarters Building	600,000	(500,000)	100,000
14	Grand Total – Military Staff	19,408,098	(462,677)	18,945,421
15	Emergency Management			
16	General Revenues	1,766,002	(3,549)	1,762,453
17	Federal Funds	16,551,541	9,682,187	26,233,728
18	Restricted Receipts	220,375	81,485	301,860
19	Other Funds			
20	Rhode Island Capital Plan Funds			
21	Hurricane Sandy Cleanup	0	232,075	232,075
22	Grand Total – Emergency			
23	Management	18,537,918	9,992,198	28,530,116
24	Public Safety			
25	<i>Central Management</i>			
26	General Revenues	1,325,286	(116,100)	1,209,186
27	Federal Funds	3,770,143	1,499,373	5,269,516
28	Total – Central Management	5,095,429	1,383,273	6,478,702
29	<i>E-911 Emergency Telephone System</i>			
30	General Revenues	5,377,414	31,626	5,409,040
31	<i>State Fire Marshal</i>			
32	General Revenues	3,250,543	(175,145)	3,075,398
33	Federal Funds	396,095	321,106	717,201
34	Restricted Receipts	188,838	97,834	286,672

1	Other Funds			
2	Rhode Island Capital Plan Funds			
3	Fire Academy	2,000,000	874,614	2,874,614
4	Quonset Development Corp	60,541	699	61,240
5	Total - State Fire Marshal	5,896,017	1,119,108	7,015,125
6	<i>Security Services</i>			
7	General Revenues	22,680,304	(342,821)	22,337,483
8	Federal Funds	0	21,000	21,000
9	Total – Security Services	22,680,304	(321,821)	22,358,483
10	<i>Municipal Police Training Academy</i>			
11	General Revenues	254,667	716	255,383
12	Federal Funds	165,754	52,381	218,135
13	Total - Municipal Police Training Academy	420,421	53,097	473,518
14	<i>State Police</i>			
15	General Revenues	64,172,279	(2,801,495)	61,370,784
16	Federal Funds	2,432,080	1,435,195	3,867,275
17	Restricted Receipts	10,987,508	14,219,062	25,206,570
18	Other Funds			
19	Rhode Island Capital Plan Funds			
20	Barracks and Training	0	400,000	400,000
21	Consolidated Training Academy	1,250,000	(1,250,000)	0
22	DPS Asset Protection	250,000	0	250,000
23	Barrack Renovation	400,000	379,885	779,885
24	Airport Corporation Assistance	377,148	(162,285)	214,863
25	Lottery Commission Assistance	1,450,696	(159,692)	1,291,004
26	Road Construction Reimbursement	2,936,120	(1,448)	2,934,672
27	Total - State Police	84,255,831	12,059,222	96,315,053
28	Grand Total – Public Safety	123,725,416	14,324,505	138,049,921
29	Office of Public Defender			
30	General Revenues	11,621,977	(118,269)	11,503,708
31	Federal Funds	78,370	34,450	112,820
32	Grand Total - Office of Public			
33	Defender	11,700,347	(83,819)	11,616,528
34	Environmental Management			

1	<i>Office of the Director</i>			
2	General Revenues	5,162,770	65,185	5,227,955
3	Federal Funds	150,000	0	150,000
4	Restricted Receipts	3,100,511	1,251,965	4,352,476
5	Total – Office of the Director	8,413,281	1,317,150	9,730,431
6	<i>Natural Resources</i>			
7	General Revenues	20,671,723	756,814	21,428,537
8	Federal Funds	19,131,833	1,231,778	20,363,611
9	Restricted Receipts	6,360,768	(182,604)	6,178,164
10	Other Funds			
11	DOT Recreational Projects	181,649	1,318,351	1,500,000
12	Blackstone Bikepath Design	2,059,579	0	2,059,579
13	Transportation MOU	78,350	0	78,350
14	Rhode Island Capital Plan Funds			
15	Dam Repair	750,000	(730,000)	20,000
16	Fort Adams Rehabilitation	125,000	80,626	205,626
17	Fort Adams America’s Cup	1,400,000	(897,565)	502,435
18	Recreational Facilities Improvements	4,991,000	0	4,991,000
19	Galilee Piers Upgrade	400,000	0	400,000
20	Newport Piers	137,500	(137,500)	0
21	World War II Facility	770,000	828,971	1,598,971
22	Blackstone Valley Bike Path	198,410	(100,000)	98,410
23	Marine Infrastructure/Pier			
24	Development	100,000	(100,000)	0
25	Rocky Point Acquisition/Renovations	200,000	76,562	276,562
26	Natural Resources Offices/Visitor’s			
27	Center	2,500,000	(2,400,000)	100,000
28	Total - Natural Resources	60,055,812	(254,567)	59,801,245
29	<i>Environmental Protection</i>			
30	General Revenues	11,751,892	(58,310)	11,693,582
31	Federal Funds	10,025,644	837,544	10,863,188
32	Restricted Receipts	8,893,258	38,149	8,931,407
33	Other Funds			
34	Transportation MOU	164,734	0	164,734

1	Total - Environmental Protection	30,835,528	817,383	31,652,911
2	Grand Total - Environmental			
3	Management	99,304,621	1,879,966	101,184,587
4	Coastal Resources Management Council			
5	General Revenues	2,433,260	(11,405)	2,421,855
6	Federal Funds	2,614,348	(29,105)	2,585,243
7	Restricted Receipts	250,000	0	250,000
8	Other Funds			
9	Rhode Island Capital Plan Funds			
10	South Coast Restoration Project	321,775	(321,775)	0
11	Shoreline Change Beach SAMP	50,000	(50,000)	0
12	Grand Total - Coastal Resources			
13	Mgmt. Council	5,669,383	(412,285)	5,257,098
14	Transportation			
15	<i>Central Management</i>			
16	Federal Funds	8,540,000	312,846	8,852,846
17	Other Funds			
18	Gasoline Tax	2,182,215	1,600,429	3,782,644
19	Total – Central Management	10,722,215	1,913,275	12,635,490
20	Management and Budget			
21	Other Funds			
22	Gasoline Tax	4,530,251	(835,167)	3,695,084
23	<i>Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds</i>			
24	Federal Funds			
25	Federal Funds	240,533,185	7,827,879	248,361,064
26	Federal Funds – Stimulus	14,542,237	2,500,000	17,042,237
27	Restricted Receipts	1,000,000	(840,494)	159,506
28	Other Funds			
29	Gasoline Tax	73,801,440	(1,288,814)	72,512,626
30	Land Sale Revenue	10,800,000	(8,300,000)	2,500,000
31	Rhode Island Capital Plan Funds			
32	RIPTA Land and Buildings	200,000	0	200,000
33	Highway Improvement Program	34,650,000	8,788,530	43,438,530
34	Total – Infrastructure Engineering			

1	GARVEE/Motor Fuel Tax Bonds	375,526,862	8,687,101	384,213,963
2	<i>Infrastructure Maintenance</i>			
3	Other Funds			
4	Gasoline Tax	14,127,961	5,659,009	19,786,970
5	Non-Land Surplus Property	10,000	0	10,000
6	Outdoor Advertising	100,000	0	100,000
7	Rhode Island Highway Maintenance Account	54,349,189	4,718,213	59,067,402
8	Rhode Island Capital Plan Funds			
9	Maintenance Facilities Improvements	100,000	(100,000)	0
10	Salt Storage Facilities	1,000,000	0	1,000,000
11	Portsmouth Facility	1,000,000	(1,000,000)	0
12	Maintenance-Capital Equip.			
13	Replacement	2,000,000	(2,000,000)	0
14	Train Station Maintenance and			
15	Repairs	350,000	0	350,000
16	Total – Infrastructure			
17	Maintenance	73,037,150	7,277,222	80,314,372
18	Grand Total – Transportation	463,816,478	17,042,431	480,858,909
19	Statewide Totals			
20	General Revenues	3,551,988,738	20,593,295	3,572,582,033
21	Federal Funds	2,947,277,640	137,987,381	3,085,265,021
22	Restricted Receipts	245,496,096	63,554,903	309,050,999
23	Other Funds	1,920,676,257	53,551,980	1,974,228,237
24	Statewide Grand Total	8,665,438,731	275,687,559	8,941,126,290

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

27 SECTION 3. The general assembly authorizes the state controller to establish the internal
28 service accounts shown below, and no other, to finance and account for the operations of state
29 agencies that provide services to other agencies, institutions and other governmental units on a
30 cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are
31 managed in a businesslike manner, promote efficient use of services by making agencies pay the
32 full costs associated with providing the services, and allocate the costs of central administrative
33 services across all fund types, so that federal and other non-general fund programs share in the
34 costs of general government support. The controller is authorized to reimburse these accounts for

1 the cost of work or services performed for any other department or agency subject to the
 2 following expenditure limitations:

3	Account	FY 2016	FY 2016	FY2016
4		Enacted	Change	Final
5	State Assessed Fringe Benefit Internal Service			
6	Fund	38,930,194	1,825,551	40,755,745
7	Administration Central Utilities Internal Service			
8	Fund	17,782,800	(3,089,525)	14,693,275
9	State Central Mail Internal Service Fund	6,203,680	(205,376)	5,998,304
10	State Telecommunications Internal Service			
11	Fund	4,122,558	(1,122,596)	2,999,962
12	State Automotive Fleet Internal Service Fund	13,830,623	(1,357,701)	12,472,922
13	Surplus Property Internal Service Fund	2,500	0	2,500
14	Health Insurance Internal Service Fund	251,175,719	436,028	251,611,747
15	Other Post-Employment Benefits Fund	64,293,483	(359,000)	63,934,483
16	Capital Police Internal Service Fund	1,252,144	(112,647)	1,139,497
17	Corrections Central Distribution Center Internal			
18	Service Fund	6,768,097	172,738	6,940,835
19	Correctional Industries Internal Service Fund	7,228,052	117,339	7,345,391
20	Secretary of State Record Center Internal			
21	Service Fund	813,687	82,563	896,250

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

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

4 FY 2016 FTE POSITION AUTHORIZATION

<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
Administration	711.7 <u>712.7</u>
Business Regulation	98.0
Executive Office of Commerce	16.0
Labor and Training	410.0 <u>409.5</u>
Revenue	514.5
Legislature	298.5
Office of the Lieutenant Governor	8.0
Office of the Secretary of State	57.0
Office of the General Treasurer	84.0
Board of Elections	11.0
Rhode Island Ethics Commission	12.0
Office of the Governor	45.0
Commission for Human Rights	14.5
Public Utilities Commission	50.0
Office of Health and Human Services	187.0
Children, Youth, and Families	672.5
Health	490.6
Human Services	959.1
Behavioral Health, Developmental Disabilities, and Hospitals	1,421.4 <u>1,419.4</u>
Office of the Child Advocate	6.0
Commission on the Deaf and Hard of Hearing	3.0
Governor's Commission on Disabilities	4.0
Office of the Mental Health Advocate	4.0
Elementary and Secondary Education	151.4
School for the Deaf	60.0
Davies Career and Technical School	126.0
Office of the Postsecondary Commissioner	25.0

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

1	University of Rhode Island	2,456.5
2	Provided that 573.8 of the total authorization would be available only for positions that are	
3	supported by third-party funds.	
4	Rhode Island College	923.6
5	Provided that 82.0 of the total authorization would be available only for positions that are	
6	supported by third-party funds.	
7	Community College of Rhode Island	854.1
8	Provided that 89.0 of the total authorization would be available only for positions that are	
9	supported by third-party funds.	
10	Rhode Island State Council on the Arts	8.6
11	RI Atomic Energy Commission	8.6
12	Historical Preservation and Heritage Commission	16.6
13	Office of the Attorney General	236.1
14	Corrections	1,419.0
15	Judicial	724.3
16	Military Staff	92.0
17	Public Safety	633.2
18	Office of the Public Defender	93.0
19	Emergency Management	32.0
20	Environmental Management	399.0
21	Coastal Resources Management Council	29.0
22	Transportation	752.6 752.0
23	Total	15,118.4 <u>15,116.3</u>
24	SECTION 5. This article shall take effect upon passage.	

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ARTICLE 11 AS AMENDED

RELATING TO STRENGTHENING NEIGHBORHOOD SCHOOLS

SECTION 1. Section 16-2-9.4 of the General Laws in Chapter 16-2 entitled "School Committees and Superintendents" is hereby amended to read as follows:

16-2-9.4. School district accounting compliance. -- (a) The office of auditor general and the department of elementary and secondary education shall promulgate a uniform system of accounting, including a chart of accounts based on the recommendations of the advisory council on school finance, and require all accounts of the school districts, regional school districts, state schools, and charter schools to be kept in accordance therewith; provided, that in any case in which the uniform system of accounting is not practicable, the office of auditor general, in conjunction with the department of elementary and secondary education, shall determine the manner in which the accounts shall be kept. The uniform chart of accounts (UCOA) must allow for both school-to-school and school district-to-school district comparisons. The structure of the UCOA shall ensure that data is captured and presented by, at a minimum, position, program and school location in order to facilitate such comparisons. The uniform system of accounting shall also include a standardized budget process to ensure districts can annually assess investment priorities and incorporate long-range planning.

(b) For the purpose of securing a uniform system of accounting and a chart of accounts the advisory council on school finances, as defined in § 16-2-9.2 may make such surveys of the operation of any school districts, regional school district, state school, or charter school as they shall deem necessary.

(c) Upon completion of the implementation of the uniform chart of accounts, all the school districts, regional school districts, state schools, and/or charter schools, shall implement a ~~regents~~ department of elementary and secondary education-approved budget model, that shall include a distinct line item for payments to charter schools and use best practices established by the department of elementary and secondary education for long-range planning, budget development, and budget administration and reporting.

(d) Commencing July 1, 2017, and on a continuing basis thereafter, each local education agency shall submit a "budget only" file that conforms with UCOA requirements to the department of elementary and secondary education within 30 days of the city/town adoption of

1 the budget.

2 (e) Using data from the uniform chart of accounts, on an annual basis the department of
3 elementary and secondary education shall publish on its website and provide the general
4 assembly with a performance dashboard indicating the per-pupil expenditures of each public
5 school and school district broken down by revenue sources and expenditure categories. Further,
6 the department shall provide, within the same dashboard, student performance indicators for each
7 public school and school district.

8 (f) Commencing July 1, 2017, and on a continuing basis thereafter, each local education
9 agency shall post the following information on its website in a downloadable format, for free
10 public access:

11 (1) The local education agency's annual budget, commencing with the budget for the
12 2017-18 budget year, that includes, at a minimum, information at the program and school levels;

13 (2) The local education agency shall post a link to the statewide website operated by the
14 department of elementary and secondary education which will publish the school and district
15 level "budget only" and UCOA expenditure data.

16 (3) Each local education agency shall update the information specified in subsection (1)
17 of this section within sixty (60) days after adoption and/or making any changes to the local
18 education agency's budget, including any changes made to the budgets of an individual program
19 or school.

20 ~~(f)~~(g) If any school district, regional school district, state school, or charter school fails to
21 install and maintain the uniform system of accounting, including a chart of accounts and
22 approved budget model, or fails to keep its accounts and interdepartmental records, or refuses or
23 neglects to make the reports and to furnish the information in accordance with the method
24 prescribed by the office of auditor general and the department of education, or hinders or prevents
25 the examination of accounts and financial records, the auditor general and the commissioner of
26 education, and/or their respective designee(s), shall make a report to the superintendent of schools
27 of the local education agency, the school committee chairperson, the mayor or town manager, and
28 the president of the town council, and/or for a charter school, to the board of trustees or directors,
29 as applicable, in writing, specifying the nature and extent of the failure, refusal, neglect,
30 hindrance, or prevention, and the commissioner is hereby authorized and directed to review the
31 matter so reported. If the commissioner shall find that failure, refusal, neglect, hindrance, or
32 prevention exists and that the school district, regional school district, state school, or charter
33 school should properly comply in the matter so reported, the commissioner shall direct the school
34 district, regional school district, state school, or charter school, in writing, to so comply. If the

1 failure, refusal, neglect, hindrance, or prevention shall continue for a period of ten (10) days
2 following the written direction, the commissioner may request the board of education for
3 approval to withhold distribution of state aid to said school district, regional school district, state
4 school, or charter school. The board shall hold a hearing and provide the subject school and/or
5 district notice and an opportunity to be heard at said hearing. After hearing thereon, the board
6 may authorize the commissioner to withhold the distribution of state aid to said school district,
7 regional school district, state school, or charter school, if the board determines such sanction is
8 appropriate.

9 ~~(e)~~(h) The department of elementary and secondary education, in consultation with the
10 division of municipal finance, shall conduct periodic reviews and analysis of school revenues and
11 expenses. The department shall also review and monitor compliance with the approved budget
12 model and best practices. The department shall identify those local education agencies considered
13 to be at risk of a year-end deficit or a structural deficit that could impact future years. Such
14 potential deficits shall be identified based on the periodic reviews, which may also include on-site
15 visits and reporting in accordance with the provisions of § 45-12-22.2. Potential deficits shall be
16 reported to the office of municipal finance, office of auditor general, superintendent, chairman of
17 the school committee, mayor or town manager, and the president of the town council, of the
18 applicable school district, regional school district, or state school, and/or for a charter school, to
19 the board of trustees or directors, as applicable.

20 SECTION 2. Sections 16-7.2-3, 16-7.2-4, 16-7.2-5, and 16-7.2-6 of the General Laws in
21 Chapter 16-7.2 entitled "The Education Equity and Property Tax Relief Act" are hereby amended
22 to read as follows:

23 **16-7.2-3. Permanent foundation education aid established.** -- (a) Beginning in the
24 2012 fiscal year, the following foundation education aid formula shall take effect. The foundation
25 education aid for each district shall be the sum of the core instruction amount in (a)(1) and the
26 amount to support high need students in (a)(2), which shall be multiplied by the district state
27 share ratio calculated pursuant to § 16-7.2-4 to determine the foundation aid.

28 (1) The core instruction amount shall be an amount equal to a statewide per pupil core
29 instruction amount as established by the department of elementary and secondary education,
30 derived from the average of northeast regional expenditure data for the states of Rhode Island,
31 Massachusetts, Connecticut, and New Hampshire from the National Center for Education
32 Statistics (NCES) that will adequately fund the student instructional needs as described in the
33 basic education program and multiplied by the district average daily membership as defined in §
34 16-7-22. Expenditure data in the following categories: instruction and support services for

1 students, instruction, general administration, school administration and other support services
2 from the National Public Education Financial Survey as published by NCES and enrollment data
3 from the Common Core of Data also published by NCES will be used when determining the core
4 instruction amount. The core instruction amount will be updated annually. For the purpose of
5 calculating this formula, school districts' resident average daily membership shall exclude charter
6 school and state-operated school students.

7 (2) The amount to support high need students beyond the core instruction amount shall be
8 determined by multiplying a student success factor of forty percent (40%) by the core instruction
9 per pupil amount described in § 16-7.2-3(1) and applying that amount ~~to all resident children~~
10 ~~eligible for USDA reimbursable school meals~~ for each resident child whose family income is at
11 or below one hundred eighty-five percent (185%) of federal poverty guidelines, hereinafter
12 referred to as "poverty status."

13 (b) LEAs may set aside a portion of funds received under subsection (a) to expand
14 learning opportunities such as after school and summer programs, full day kindergarten and/or
15 multiple pathway programs provided that the basic education program and all other approved
16 programs required in law are funded.

17 (c) The department of elementary and secondary education shall promulgate such
18 regulations as are necessary to implement fully the purposes of this chapter.

19 **16-7.2-4. Determination of state's share.** -- (a) For each district, the state's share of the
20 foundation education aid calculated pursuant to § 16-7.2-3(a) shall use a calculation that
21 considers a district's revenue generating capacity and concentration of high-need students. The
22 calculation is the square root of the sum of the state share ratio for the community calculation,
23 ~~(SSRC)~~, pursuant to § 16-7-20, squared plus the district's percentage of students ~~eligible for~~
24 ~~USDA reimbursable school meals~~ in grades PK-6 in poverty status ~~(PK6FRPL)~~-squared, divided
25 by two.

26 (b) For purposes of determining the state's share, school district student data used in this
27 calculation shall include charter school and state school students. These ratios are used in the
28 permanent foundation education aid formula calculation described in § 16-7.2-5.

29 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**
30 **High School, and the Metropolitan Regional Career and Technical Center.** -- (a) Charter
31 public schools as defined in chapter 77 of this title, the William M. Davies, Jr. Career and
32 Technical High School (Davies) and the Metropolitan Regional Career and Technical Center (the
33 Met Center) shall be funded pursuant to § 16-7.2-3. If the October 1 actual enrollment data for
34 any charter-public school shows a ten percent (10%) or greater change from the prior year

1 enrollment which is used as the reference year average daily membership, the last six (6) monthly
2 ~~third and fourth quarter~~ payments to the charter public school will be adjusted to reflect actual
3 enrollment. The state share of the permanent foundation education aid shall be paid by the state
4 directly to the charter public schools, Davies, and the Met Center pursuant to § 16-7.2-9 and shall
5 be calculated using the state share ratio of the district of residence of the student as set forth in §
6 16-7.2-4. The department of elementary and secondary education shall provide the general
7 assembly with the calculation of the state share of permanent foundation education aid for charter
8 public schools delineated by school district.

9 ~~The department shall also provide the general assembly a performance dashboard~~
10 ~~indicating the per pupil expenditures of each school district and charter school broken down by~~
11 ~~revenue sources and expenditure categories. The department shall provide, within the same~~
12 ~~dashboard, student performance indicators for each school district or charter school. (b) The local~~
13 share of education funding, ~~as defined by the department of elementary and secondary education~~
14 ~~and approved by the General Assembly,~~ shall be paid to the charter public school, Davies, and the
15 Met Center by the district of residence of the student and shall be the local per-pupil cost
16 calculated by dividing the local appropriation to education from property taxes, net of debt
17 service, and capital projects, as defined in the uniform chart of accounts by the average daily
18 membership for each city and town, pursuant to § 16-7-22, for the reference year.

19 (c) Beginning in FY 2017, there shall be a reduction to the local per pupil funding paid by
20 the district of residence to charter public schools, Davies and the Met Center. This reduction shall
21 be equal to the greater (i) of seven percent (7%) of the local per pupil funding of the district of
22 residence pursuant to §16-7 .2-5(b) or (ii) the per pupil value of the district's costs for non-public
23 textbooks, transportation for non-public students, retiree health benefits, out-of-district special
24 education tuition and transportation, services for students age eighteen (18) to twenty-one (21)
25 years old, pre-school screening and intervention, and career and technical education, tuition and
26 transportation costs, debt service and rental costs minus the average expenses incurred by charter
27 schools for those same categories of expenses as reported in the uniform chart of accounts for the
28 prior preceding fiscal year pursuant to §16-7-16(11) and verified by the department of elementary
29 and secondary education. In the case where audited financials result in a change in the calculation
30 after the first tuition payment is made, the remaining payments shall be based on the most recent
31 audited data. For those districts whose greater reduction occurs under the calculation of (ii), there
32 shall be an additional reduction to payments to mayoral academies with teachers that do not
33 participate in the state teacher's retirement system under chapter 8 of title 36 equal to the per pupil
34 value of teacher retirement costs attributable to unfunded liability as calculated by the state's

1 [actuary for the prior preceding fiscal year.](#)

2 ~~(b)~~(d) Local district payments to charter public schools, Davies, and the Met Center for
3 each district's students enrolled in these schools shall be made on a quarterly basis in July,
4 October, January and April; however, the first local district payment shall be made by August 15
5 instead of July. Failure of the community to make the local district payment for its student(s)
6 enrolled in a charter public school, Davies, and/or the Met Center may result in the withholding
7 of state education aid pursuant to § 16-7-31.

8 [\(e\) Beginning in FY 2017, school districts with charter public school, Davies, and the](#)
9 [Met Center enrollment, that combined, comprise five percent \(5%\) or more of the average daily](#)
10 [membership as defined in §16-17-22 shall receive additional aid for a period of three \(3\) years.](#)
11 [Aid in FY 2017 shall be equal to the number of charter public school, open enrollment schools,](#)
12 [Davies, or the Met Center students as of the reference year as defined in §16-7-16 times a per](#)
13 [pupil amount of one hundred seventy-five dollars \(\\$175\). Aid in FY 2018 shall be equal to the](#)
14 [number of charter public school, open enrollment schools, Davies, or the Met Center students as](#)
15 [of the reference year as defined in §16-7-16 times a per pupil amount of one hundred dollars](#)
16 [\(\\$100\). Aid in FY 2019 shall be equal to the number of charter public school, open enrollment](#)
17 [schools, Davies, or the Met Center students as of the reference year as defined in §16-7-16 times](#)
18 [a per pupil amount of fifty dollars \(\\$50.00\). The additional aid shall be used to offset the adjusted](#)
19 [fixed costs retained by the districts of residence.](#)

20 **16-7.2-6. Categorical programs, state funded expenses.** -- In addition to the foundation
21 education aid provided pursuant to § 16-7.2-3 the permanent foundation education aid program
22 shall provide direct state funding for:

23 (a) Excess costs associated with special education students. - Excess costs are defined
24 when an individual special education student's cost shall be deemed to be "extraordinary."
25 Extraordinary costs are those educational costs that exceed the state approved threshold based on
26 an amount above five times the core foundation amount (total of core instruction amount plus
27 student success amount) The department of elementary and secondary education shall prorate the
28 funds available for distribution among those eligible school districts if the total approved costs for
29 which school districts are seeking reimbursement exceed the amount of funding appropriated in
30 any fiscal year; [and the department of elementary and secondary education shall also collect data](#)
31 [on those educational costs that exceed the state approved threshold based on an amount above](#)
32 [four \(4\) times the core foundation amount.](#)

33 (b) Career and technical education costs to help meet initial investment requirements
34 needed to transform existing or create new comprehensive career and technical education

1 programs and career pathways in critical and emerging industries and to help offset the higher
2 than average costs associated with facilities, equipment maintenance and repair, and supplies
3 necessary for maintaining the quality of highly specialized programs that are a priority for the
4 state. The department shall ~~develop~~ ~~recommend~~ criteria for the purpose of allocating any and all
5 career and technical education funds as may be determined by the general assembly on an annual
6 basis. The department of elementary and secondary education shall prorate the funds available for
7 distribution among those eligible school districts if the total approved costs for which school
8 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

9 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten
10 programs. The department shall recommend criteria for the purpose of allocating any and all early
11 childhood program funds as may be determined by the general assembly;

12 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to assure
13 that appropriate funding is available to support ~~their~~ ~~the community, including~~ students,
14 Additional support for Central Falls is needed ~~from the community that attend the charter schools,~~
15 ~~Davies, and the Met Center pursuant to § 16-7.2-5,~~ due to concerns regarding the city's capacity
16 to meet the local share of education costs. This fund requires that education aid calculated
17 pursuant to § 16-7.2-3 and funding for costs outside the permanent foundation education aid
18 formula, including but not limited to transportation, facility maintenance, and retiree health
19 benefits shall be shared between the state and the city of Central Falls. The fund shall be annually
20 reviewed to determine the amount of the state and city appropriation. The state's share of this
21 fund may be supported through a reallocation of current state appropriations to the Central Falls
22 school district. At the end of the transition period defined in § 16-7.2-7, the municipality will
23 continue its contribution pursuant to § 16-7-24. Additional support for the Davies and the Met
24 Center is needed due to the costs associated with running a stand-alone high school offering both
25 academic and career and technical coursework. The department shall recommend criteria for the
26 purpose of allocating any and all stabilization funds as may be determined by the general
27 assembly; and

28 (e) Excess costs associated with transporting students to out of district non-public schools
29 and within regional school districts. (1) This fund will provide state funding for the costs
30 associated with transporting students to out of district non-public schools, pursuant to title 16,
31 Chapter 21.1. The state will assume the costs of non-public out-of-district transportation for those
32 districts participating in the statewide system; and (2) This fund will provide direct state funding
33 for the excess costs associated with transporting students within regional school districts,
34 established pursuant to title 16, chapter 3. This fund requires that the state and regional school

1 district share equally the student transportation costs net any federal sources of revenue for these
2 expenditures. The department of elementary and secondary education shall prorate the funds
3 available for distribution among those eligible school districts if the total approved costs for
4 which school districts are seeking reimbursement exceed the amount of funding available in any
5 fiscal year.

6 (f) Public school districts that are regionalized shall be eligible for a regionalization
7 bonus as set forth below.

8 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school
9 district established under the provisions of chapter 16-3 including the Chariho Regional School
10 district.

11 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus
12 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the
13 regionalization bonus shall commence in the first fiscal year following the establishment of a
14 regionalized school district as set forth section 16-3, including the Chariho Regional School
15 District.

16 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the
17 state's share of the foundation education aid for the regionalized district as calculated pursuant to
18 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

19 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the
20 state's share of the foundation education aid for the regionalized district as calculated pursuant to
21 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

22 (5) The regionalization bonus shall cease in the third fiscal year.

23 (6) The regionalization bonus for the Chariho regional school district shall be applied to
24 the state share of the permanent foundation education aid for the member towns.

25 (7) The department of elementary and secondary education shall prorate the funds
26 available for distribution among those eligible regionalized school districts if the total approve
27 costs for which regionalized school districts are seeking a regionalization bonus exceed the
28 amount of funding appropriated in any fiscal year.

29 (g) Additional state support for English learners (EL). For FY 2017 only, the amount to
30 support EL students shall be determined by multiplying an EL factor of ten percent (10%) by the
31 core instruction per pupil amount defined in §16-7.2-3(a)(1) and applying that amount of
32 additional state support to EL students identified using widely adopted, independent standards
33 and assessments identified by the Commissioner. All categorical funds distributed pursuant to this
34 subsection must be used to provide high-quality, research-based services to EL students and

1 managed in accordance with requirements set forth by the commissioner of elementary and
2 secondary education. The department of elementary and secondary education shall collect
3 performance reports from districts and approve the use of funds prior to expenditure. The
4 department of elementary and secondary education shall ensure the funds are aligned to activities
5 that are innovative and expansive and not utilized for activities the district is currently funding.
6 The department of elementary and secondary education shall prorate the funds available for
7 distribution among eligible recipients if the total calculated costs exceed the amount of funding
8 available in any fiscal year.

9 ~~(g)~~(h) Categorical programs defined in (a) through (f) shall be funded pursuant to the
10 transition plan in § 16-7.2-7.

11 SECTION 3. Section 16-77.2-5 of the General Laws in Chapter 16-77.2 entitled "District
12 Charter School" is hereby amended to read as follows:

13 **16-77.2-5. Budgets and funding.** -- (a) It is the intent of the general assembly that
14 funding pursuant to this chapter shall be neither a financial incentive nor a financial disincentive
15 to the establishment of a district charter school. Funding for each district charter school shall
16 consist of state revenue and municipal or district revenue in the same proportions that funding is
17 provided for other schools within the sending school district(s).

18 ~~(b) The amount of funding which shall be allocated to the district charter school by the~~
19 ~~sending school district(s) shall be equal to a percentage of the total budgeted expenses of the~~
20 ~~sending school district(s) which is determined by dividing the number of students enrolled in the~~
21 ~~district charter school by the total resident average daily number of students in the sending school~~
22 ~~district(s).~~

23 ~~(e)~~(b) Funding additional to that authorized from the sending school district(s) ~~by~~
24 ~~subsection (b)~~ may be allocated to the district charter school from the sending school district(s) to
25 the extent that the combined percentage of students eligible for free or reduced cost lunch,
26 students with limited English proficiency, and students requiring special education exceed the
27 combined percentage of those students in the sending school district(s) as a whole. The
28 commissioner shall promulgate rules and regulations consistent with this section regarding the
29 allocation of funds from sending school districts to district charter schools.

30 ~~(d)~~(c) All services centrally or otherwise provided by the school district in which the
31 district charter school is located which the district charter school decides to utilize including, but
32 not limited to, transportation, food services, custodial services, maintenance, curriculum, media
33 services, libraries, nursing, and warehousing, shall be subject to negotiation between a district
34 charter school and the school district in which the district charter school is located and paid for

1 out of the revenues of the district charter school. Disputes with regard to cost of services
2 requested from the school district in which the district charter school is located will be
3 adjudicated by the commissioner.

4 ~~(e)~~(d) A district charter school shall be eligible to receive other aids, grants, Medicaid
5 revenue, and other revenue according to Rhode Island law, as though it were a school district.
6 Federal aid received by the state shall be used to benefit students in the charter public school, if
7 the school qualifies for the aid, as though it were a school district.

8 ~~(f)~~(e) A district charter school may negotiate and contract directly with third parties for
9 the purchase of books, instructional materials, and any other goods and services which are not
10 being provided by the sending school district(s) pursuant to the charter.

11 ~~(g) Any career technical charter public school enrolling special education students from
12 outside school districts with verifiable individual education program (IEP) designations shall
13 receive from the sending school district(s) the average per pupil special education cost of the
14 sending district, in accordance with standards established by the Rhode Island department of
15 secondary and elementary education.~~

16 SECTION 4. Section of 16-77.3-5 of the General Laws in Chapter 16-77.3 entitled
17 "Independent Charter Schools" is hereby amended to read as follows:

18 **16-77.3-5. 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 an independent charter school. Funding for each independent charter
21 school shall consist of state revenue and municipal or district revenue in the same proportions that
22 funding is provided for other schools within the sending school district(s).

23 ~~(b) The amount of funding which shall be allocated to the independent charter school by
24 the 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 ~~(e)~~(b) Funding additional to that authorized from the sending school district(s) by
29 subsection (b) may be allocated to the independent charter school from the sending school
30 district(s) to the extent that the combined percentage of students eligible for free or reduced cost
31 lunch, students with limited English proficiency, and students requiring special education exceed
32 the 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 independent charter schools.

1 ~~(d)~~(c) An independent charter school shall be eligible to receive other aids, grants,
2 Medicaid revenue, and other revenue according to Rhode Island law, as though it were a school
3 district. Federal aid received by the state shall be used to benefit students in the independent
4 charter school, if the school qualifies for the aid, as though it were a school district.

5 ~~(e)~~(d) An independent charter school may negotiate and contract directly with third
6 parties for the purchase of books, instructional materials, and any other goods and services which
7 are not being provided by the sending school district(s) pursuant to the charter.

8 ~~(f) Any career/technical charter public school enrolling special education students from
9 outside school districts with verifiable individual education program (IEP) designations shall
10 receive from the sending school district(s) the average per pupil special education cost of the
11 sending district, in accordance with standards established by the Rhode Island department of
12 elementary and secondary education.~~

13 SECTION 5. Section 16-77.4-5 of the General Laws in Chapter 16-77.4 entitled
14 "Mayoral Academies" is hereby amended to read as follows:

15 **16-77.4-5. Budgets and funding.** -- (a) It is the intent of the general assembly that
16 funding pursuant to this chapter shall be neither a financial incentive nor a financial disincentive
17 to the establishment of a mayoral academy. Funding for each mayoral academy shall consist of
18 state revenue and municipal or district revenue in the same proportions that funding is provided
19 for other schools within the sending school district(s).

20 ~~(b) The amount of funding which shall be allocated to the mayoral academy by the
21 sending school district(s) shall be equal to a percentage of the total budgeted expenses of the
22 sending school district(s) which is determined by dividing the number of students enrolled in the
23 mayoral academy by the total resident average daily number of students in the sending school
24 district(s).~~

25 ~~(e)~~(b) Funding additional to that authorized from the sending school district(s) ~~by~~
26 ~~subsection (b)~~ may be allocated to the mayoral academy from the sending school district(s) to the
27 extent that the combined percentage of students eligible for free or reduced cost lunch, students
28 with limited English proficiency, and students requiring special education exceed the combined
29 percentage of those students in the sending school district(s) as a whole. The commissioner shall
30 promulgate rules and regulations consistent with this section regarding the allocation of funds
31 from sending school districts to mayoral academies.

32 ~~(d)~~(c) A mayoral academy shall be eligible to receive other aids, grants, Medicaid
33 revenue, and other revenue according to Rhode Island law, as though it were a school district.
34 Federal aid received by the state shall be used to benefit students in a mayoral academy, if the

1 school qualifies for the aid, as though it were a school district.

2 ~~(e)~~(d) A mayoral academy may negotiate and contract directly with third parties for the
3 purchase of books, instructional materials, and any other goods and services which are not being
4 provided by the sending school district(s) pursuant to the charter.

5 ~~(f) Any career/technical charter public school enrolling special education students from
6 outside school districts with verifiable individual education program (IEP) designations shall
7 receive from the sending school district(s) the average per pupil special education cost of the
8 sending district(s), in accordance with standards established by the Rhode Island department of
9 elementary and secondary education.~~

10 SECTION 6. Section 16-64-1.1 of the General Laws in Chapter 16-64 entitled
11 "Residence of Children for School Purposes" is hereby amended to read as follows:

12 **16-64-1.1. Payment and reimbursement for educational costs of children placed in**
13 **foster care, group homes, or other residential facility by a Rhode Island state agency. --** (a)

14 Children placed in foster care by a Rhode Island licensed child placing agency or a Rhode Island
15 governmental agency shall be entitled to the same free appropriate public education provided to
16 all other residents of the city or town where the child is placed. The city or town shall pay the cost
17 of the education of the child during the time the child is in foster care in the city or town.

18 (b) Children placed by DCYF in a group home or other residential facility that does not
19 include the delivery of educational services are to be educated by the community in which the
20 group home or other residential facility is located, and those children shall be entitled to the same
21 free appropriate public education provided to all other residents of the city or town where the
22 child is placed. For purposes of payment and reimbursement for educational costs under this
23 chapter, the term "group home or other residential facility" shall not include independent living
24 programs. Each city and town that contains one or more group homes or other residential
25 facilities that do not include delivery of educational services will receive funds as part of state aid
26 to education in accordance with the following provisions:

27 (1) On December 31 of each year the DCYF shall provide the department of elementary
28 and secondary education with a precise count of how many group home or other residential
29 facility "beds" exist in each Rhode Island city or town, counting only those "beds" in facilities
30 that do not include the delivery of educational services. The number of "beds" in each group
31 home or other residential facility shall be equal to the maximum number of children that may be
32 placed in that group home or other residential facility on any given night according to the
33 applicable licensure standards of the DCYF.

34 (2) For the fiscal year beginning July 1, 2007, if the number of beds certified by the

1 Department of Children, Youth and Families for a school district by December 31, 2007 is greater
2 than the number certified March 14, 2007 upon which the education aid for FY 2008 was
3 appropriated, the education aid for that district will be increased by the number of increased beds
4 multiplied by fifteen thousand dollars (\$15,000). Notwithstanding the provisions of this section or
5 any law to the contrary, the education aid for all group home or other residential facility "beds"
6 located or associated with the Children's Residential and Family Treatment (CRAFT) program
7 located on the East Providence campus of Bradley Hospital shall be twenty-two thousand dollars
8 (\$22,000) per bed. The Department of Elementary and Secondary Education shall include the
9 additional aid in equal payments in March, April, May and June, and the Governor's budget
10 recommendations pursuant to § 35-3-8 shall include the amounts required to provide the
11 increased aid.

12 For all fiscal years beginning after June 30, ~~2008~~ 2016, education aid for each school
13 district shall include ~~fifteen~~ seventeen thousand dollars ~~(\$15,000)~~ (\$17,000) for each bed certified
14 by the Department of Children, Youth and Families by the preceding December 31.
15 Notwithstanding the provisions of this section or any law to the contrary, the education aid for all
16 group home or other residential facility "beds" located or associated with the Children's
17 Residential and Family Treatment (CRAFT) program located on the East Providence campus of
18 Bradley Hospital shall be ~~twenty-two thousand dollars (\$22,000)~~ twenty-six thousand dollars
19 (\$26,000) per bed. For all fiscal years beginning after June 30, 2008, whenever the number of
20 beds certified by the Department of Children, Youth and Families for a school district by
21 December 31 is greater than the number certified the prior December 31 upon which the
22 education aid for that fiscal year was appropriated, the education aid for that district as enacted by
23 the assembly during the prior legislative session for that fiscal year will be increased by the
24 number of increased beds multiplied by the amount per bed authorized for that fiscal year. The
25 Department of Elementary and Secondary Education shall include the additional aid in equal
26 payments in March, April, May and June, and the Governor's budget recommendations pursuant
27 to § 35-3-8 shall include the amounts required to provide the increased aid.

28 (c) Children placed by DCYF in a residential treatment program, group home, or other
29 residential facility, whether or not located in the state of Rhode Island, which includes the
30 delivery of educational services, provided by that facility (excluding facilities where students are
31 taught on grounds for periods of time by teaching staff provided by the school district in which
32 the facility is located), shall have the cost of their education paid for as provided for in subsection
33 (d) of this section and § 16-64-1.2. The city or town determined to be responsible to DYCF for a
34 per-pupil special education cost pursuant to § 16-64-1.2 shall pay its share of the cost of

1 educational services to DCYF or to the facility providing educational services.

2 (d) Children placed by DCYF in group homes, child caring facilities, community
3 residences, or other residential facilities shall have the entire cost of their education paid for by
4 DCYF if:

5 (1) The facility is operated by the state of Rhode Island or the facility has a contract with
6 DCYF to fund a pre-determined number of placements or part of the facility's program;

7 (2) The facility is state-licensed; and

8 (3) The facility operates an approved on-grounds educational program, whether or not
9 the child attends the on-grounds program.

10 SECTION 7. Title 16 of the General Laws entitled "EDUCATION" is hereby amended
11 by adding thereto the following chapter:

12 CHAPTER 3.2

13 SCHOOL AND FAMILY EMPOWERMENT ACT

14 **16-3.2-1. Declaration of policy.** – As part of the effort to transform education in Rhode
15 Island, the general assembly is committed to developing and supporting strategies that foster
16 cultures of excellence, innovation, and continuous improvement in Rhode Island schools. The
17 general assembly believes that all district schools benefit from effective leadership, strong
18 labor/management collaboration, strong community support and engagement, and the autonomy
19 and flexibility to continuously improve instruction and implement and adopt strategies that meet
20 the needs of their students. The general assembly therefore in this act establishes empowerment
21 schools, which shall remain within a public school district, under the district leadership of the
22 superintendent and school committee, but which shall be managed collaboratively on site by the
23 principal and the faculty, as an additional opportunity for supporting more high performing and
24 innovative schools within the Rhode Island system of public education. A school that volunteers
25 to be an empowerment school, as defined in this chapter, shall have unprecedented levels of
26 regulatory and statutory flexibility; school-based autonomy, including autonomy over budget;
27 flexibility in school-based instructional policies and professional practices defined through shared
28 leadership; and be uniquely positioned to create compelling learning environments responsive to
29 increased student and parent/family empowerment. Similarly, in this act, the general assembly
30 establishes the affirmative right for students and their parents/families to enroll in an
31 empowerment school that is different than their assigned school based on residence, in order to
32 seek innovative instructional policies and practices that best match their learning needs, so long
33 as the empowerment school has elected, as part of its empowerment plan, to accept students from
34 other schools within the student's district of residence.

1 **16-3.2-2. The empowerment school.** – (a) The following entities may be designated as
2 an empowerment school: a school in a public school district, a school within a school in a public
3 school district, a career and technical education program within a public school district, a state
4 school.

5 (b) Except as otherwise provided in this chapter, all statutes, regulations, and collective
6 bargaining agreement terms and conditions shall apply to empowerment schools.

7 (c) Notwithstanding §§16-2-9 and 16-2-11, the principal and professional staff of a
8 empowerment school, acting in concert as a school leadership team, shall make decisions
9 regarding the school's policies and practices, including, but not limited to, curriculum,
10 instructional practices, policies and procedures, calendar and schedule, allocation of resources,
11 staffing and professional development, consistent with the district collective bargaining
12 agreement and school-based amendments as defined in §16-3.2-4(f). Leadership teams shall
13 determine methods to document and communicate the latest decisions that emerge through the
14 leadership team process. Noncertified staff, parents, students and community members may also
15 be members of the school leadership team at the school's discretion. The principal shall have final
16 authority in all instructional, personnel, managerial, and operational matters, except for those
17 matters expressly delegated to the school leadership team through the participatory leadership
18 process, consistent with the district collective bargaining agreement and school-based
19 amendments as defined in §16-3.2-4(f).

20 (d) Students from the district in which the empowerment school is located shall be funded
21 either pursuant to §§16-3.2-7 and 16-7.2-5 or, based on mutual written agreement between the
22 superintendent and the principal of the empowerment school, in accordance with an alternative
23 agreement with the school district.

24 (e) Teachers and other staff who work in empowerment schools shall maintain their full
25 status as members of their respective bargaining unit and as employees of the district and service
26 in an empowerment school shall not be deemed to be an interruption of service in the school
27 district for purposes of seniority and teachers' retirement.

28 (f) Although existing collective bargaining agreements shall apply to an empowerment
29 school, empowerment schools shall be eligible to amend the existing district-wide collective
30 bargaining agreement through an expedited and timely process, subject to approval of the
31 superintendent, district union membership, and school committee. School-based amendments to
32 the district-wide collective bargaining agreement shall be non-precedent setting for future district
33 bargaining or contract administration. In all instances, final approval or non-approval by all
34 parties of school-based amendments to the district-wide collective bargaining agreement shall be

1 made within ninety (90) days of submission of such request.

2 **16-3.2-3. Procedure for creation of an empowerment school.** – (a) The commissioner
3 of elementary and secondary education shall develop a process for a public school, with the
4 approval of its superintendent and school committee, to be designated as an empowerment school
5 with the duties, responsibilities and autonomies set forth in this chapter. Said process shall also
6 address the manner in which a school and its school committee can convert an empowerment
7 school back to a traditional public school. No existing public school shall be converted into an
8 empowerment school or back to a traditional public school unless two-thirds (2/3) of the full-time
9 professional staff currently assigned to the eligible entity described in §16-3.2-4 approve the
10 proposal. The empowerment school application process and timeline shall be determined by the
11 commissioner and include information including, but not limited to, the vision for the
12 empowerment school; the means it will use to improve school performance and student
13 achievement; performance criteria that will be used to measure student learning at least sufficient
14 to participate in the state accountability plan; a plan for the governance, administration, and
15 operation of the empowerment school; whether the school will be funded via §§16-3.2-7 and 16-
16 7.2-5 or through an alternative written agreement between the superintendent and the principal of
17 the empowerment school; and the state statutes, state regulations, contract provisions, and school
18 district rules from which variances or waivers are sought in order to facilitate operation of the
19 empowerment school. The application shall include a description of the authority of the principal
20 and how employment decisions of the principal would impact the teacher and staff assignment
21 process within a school district.

22 In order to facilitate statewide innovation, approved empowerment school plans shall be
23 posted publicly.

24 (b) Upon deeming an application to be satisfactory, the superintendent and school
25 committee shall transmit its approval of the designation to the commissioner of elementary and
26 secondary education, who shall then register the school as an empowerment school subject to the
27 duties, responsibilities, and autonomies of this chapter.

28 Nothing in this chapter shall require an empowerment school to include all of the
29 provisions of this chapter in its locally approved plan. In other words, empowerment plans may
30 include only a locally-determined subset of the provisions made possible by this chapter.

31 Nothing in this chapter shall prevent the creation of school-based amendment to the
32 district collective bargaining agreement, as defined in §16-3.2-4 (f), to incorporate all or part of
33 the empowerment plan into the local collective bargaining agreement.

34 (c) If the designation of an empowerment school is approved by the superintendent and

1 school committee, it shall be authorized to operate for a period of up to three (3) years. The
2 empowerment school plan may be modified as necessary during its period of authorization and
3 may be renewed for increments up to three (3) years utilizing the same process outlined herein for
4 initial designation and registration.

5 (d) Upon registration of the empowerment school designation by the commissioner of
6 elementary and secondary education, the commissioner shall be deemed to have authorized all
7 necessary variances from statutes and regulations enumerated in the application.

8 **16-3.2-4. Empowerment school principal.** – (a) Principals of empowerment schools
9 shall be the educational leaders and administrators of their schools and shall supervise the
10 operation and management of their schools and school property. It shall be the responsibility of
11 the principal to promote participatory decision-making among all professional staff for the
12 purposes of developing educational policy and practices. The term professional staff shall include
13 all teachers, administrators, instructional leaders, specialists, and related service providers who
14 are certified by the state as education professionals. Principals employed under this section shall
15 be responsible for recommending the hiring and assigning all teachers and other professional
16 staff, athletic coaches, instructional or administrative aides and any other personnel assigned to
17 the school and for terminating all such personnel, subject to this chapter and the review and
18 approval of the superintendent. Any assignment to an empowerment school of a teacher
19 previously employed in another school in the district including, but not limited to, voluntary
20 transfer, involuntary transfer, reduction in force, and recall, shall be subject to the approval of the
21 principal, consistent with the district collective bargaining agreement and school-based
22 amendments as defined in §16-3.2-4(f). No teacher or staff may be laid-off, suspended or
23 terminated by a school district who would not otherwise have been laid-off, suspended or
24 terminated except for an employment decision by an empowerment school principal pursuant to
25 this section.

26 (b) The principal of the empowerment school shall serve at the pleasure of the
27 superintendent with the advice and consent of the school committee through a written contract not
28 to exceed three (3) years.

29 **16-3.2-5. Budgets and funding.** – (a) All services centrally or otherwise provided by the
30 school district in which the empowerment school is located which the empowerment school
31 decides to utilize including, but not limited to, financial services, transportation, food services,
32 custodial services, maintenance, curriculum, professional development, media services, libraries,
33 nursing, and warehousing, shall be subject to negotiation between the empowerment school and
34 the school district in which the empowerment school is located and paid for out of the revenues of

1 the empowerment school.

2 Nothing in this chapter shall prevent empowerment schools from electing to receive the
3 same district services as it did prior to the empowerment school designation.

4 (b) An empowerment school shall be eligible to receive other aids, grants, Medicaid
5 revenue, and other revenue according to Rhode Island law, as though it were a school district.
6 Federal aid received by the state shall be used to benefit students in the empowerment school, if
7 the school qualifies for the aid, as though it were a school district.

8 (c) An empowerment school may negotiate and contract directly with third parties for the
9 purchase goods and services, consistent with applicable law.

10 **16-3.2-6. Review of empowerment schools.** – Each empowerment school shall be
11 reviewed by the department of elementary and secondary education on a schedule determined by
12 the commissioner. Based on an evaluation of the empowerment school's plan, its impact on
13 student achievement, or its impact on the health and welfare of its students or staff, the
14 commissioner may, in extreme circumstances and at any time during the empowerment school's
15 authorized period of operation, recommend to the council on elementary and secondary education
16 that the empowerment school's designation and registration, and/or its open enrollment
17 designation, be revoked. Prior to recommending to the council that a empowerment school's
18 designation and registration be revoked, the commissioner shall provide the school,
19 superintendent, and school committee with specific notice of the reasons for revocation and grant
20 the school and school committee an opportunity to be heard in accordance with the process set
21 forth in chapter 39 of this title.

22 **16-3.2-7. Portions of title 16 applicable to empowerment schools.** – In addition to
23 federal law and this chapter, the following provisions of this title shall be binding on
24 empowerment schools. Accordingly, school committees may not endorse, nor may the
25 commissioner approve any request for waiver of the following provisions pursuant to this
26 chapter:

- 27 (1) Section 16-2-2 (minimum length of school year);
- 28 (2) Section 16-2-17 (right to a safe school);
- 29 (3) Section 16-8-10 (federal funds for school lunch);
- 30 (4) Section 16-12-3 (duty to cultivate principles of morality);
- 31 (5) Section 16-12-10 (immunity for report of suspected substance abuse);
- 32 (6) Sections 16-13-2, 16-13-3 (teachers' tenure)
- 33 (7) Section 16-16-2 (teachers' retirement);
- 34 (8) Section 16-19-1 (compulsory attendance);

- 1 [\(9\) Section 16-20-1 \(school holidays enumerated\);](#)
- 2 [\(10\) Sections 16-21-3 and 16-21-4 \(fire safety\);](#)
- 3 [\(11\) Sections 16-21-10, 16-21-14, and 16-21-16 \(health screenings\);](#)
- 4 [\(12\) Section 16-22-9 \(uniform testing\);](#)
- 5 [\(13\) Section 16-24-2 \(regulations of state board pertaining to children with disabilities\);](#)
- 6 [\(14\) Section 16-38-1 \(discrimination because of race or age\);](#)
- 7 [\(15\) Section 16-38-1.1 \(discrimination because of sex\);](#)
- 8 [\(16\) Section 16-38-2 \(immunizations\);](#)
- 9 [\(17\) Section 16-38-4 \(exclusive clubs\);](#)
- 10 [\(18\) Section 16-38-6 \(commercial activities prohibited\);](#)
- 11 [\(19\) Section 16-38-9 \(misconduct of school officers\);](#)
- 12 [\(20\) Section 16-38-10 \(power of officials to visit schools\);](#)
- 13 [\(21\) Section 16-39-1 \(appeal of matters of dispute to commissioner\);](#)
- 14 [\(22\) Section 16-39-2 \(appeal of school committee actions to commissioner\);](#)
- 15 [\(23\) Section 16-39-3 \(appeal to state board\);](#)
- 16 [\(24\) Section 16-39-3.1 \(enforcement of final decision\);](#)
- 17 [\(25\) Section 16-39-3.2 \(interim protective orders\);](#)
- 18 [\(26\) Section 16-39-8 \(subpoena power of commissioner\);](#)
- 19 [\(27\) Section 16-40-16 \(student records\);](#)
- 20 [\(28\) Section 16-71-1 \(Educational Record Bill of Rights Act\);](#)
- 21 [\(29\) Section 16-21-21.1 \(Penalties for drug, alcohol or weapons offenses\);](#)
- 22 [\(30\) Chapter 21.5 of title 16 \(Student interrogations\).](#)

23 [Although waivers for §16-11-1 \(teacher certification\) are permissible, consistent with the](#)
24 [locally approved plan, teachers in an empowerment school must hold at least one teacher](#)
25 [certification, which may be different than the certification associated with their assignment,](#)
26 [unless such teacher is assigned to teach in a shortage area, whereby the teacher shall be provided](#)
27 [with school-based support and work toward a certification to be awarded within five years of the](#)
28 [date of assignment at the empowerment school.](#)

29 **16-3.2-8. Appropriation.** – [The general assembly may annually appropriate funds to](#)
30 [support empowerment schools. This appropriation shall be managed by the department of](#)
31 [elementary and secondary education.](#)

32 **16-3.2-9. Regulations.** – [The department of elementary and secondary education shall](#)
33 [promulgate such regulations as are necessary to implement fully the purposes of this chapter.](#)

34 SECTION 8. Section 16-95-4 of the General Laws in Chapter 16-95 entitled "The

1 Recovery High Schools Act [See Title 16 Chapter 97 - The Rhode Island Board of Education
2 Act]" is hereby amended to read as follows:

3 **16-95-4. Transfer of aid.** -- (a) Any school district in Rhode Island that may have a
4 student or students who are currently or were last enrolled in said district and who are ~~considered~~
5 ~~by the sending district to be both clinically and academically appropriate for referral~~ diagnosed
6 with substance use disorder or dependency, as defined by the diagnostic and statistical manual of
7 mental disorders IV-TR may be referred to a Rhode Island recovery high school ~~may be referred~~
8 by a clinician licensed pursuant to chapter 69 of title 5 for voluntary enrollment in such school. If
9 said student is admitted to said school, the sending school district shall ensure that payment
10 pursuant to subsection (b) herein for students who attend the recovery high school is paid, and
11 further, that upon completion of all other graduation requirements, said student or students shall
12 receive a diploma.

13 (b) A sending school district shall transfer the per pupil ~~allotment it receives~~ core
14 instructional amount pursuant to chapter 16-7.2 ("The Education Equity and Property Tax Relief
15 Act") to a recovery high school for any student attending the recovery high school and meeting
16 the following criteria: (1) The student is currently enrolled in the district or currently resides in
17 the municipality in which the district is located; (2) The student is considered by a clinician
18 licensed pursuant to ~~42-35~~ chapter 69 of title 5, to be clinically appropriate, using the criteria for
19 substance use disorders as defined in the diagnostic and statistical manual of mental disorders IV-
20 TR; and (3) The student meets all matriculation criteria as outlined by the sending district and the
21 department of elementary and secondary education, with determination of academic eligibility
22 based on existing documentation provided by the district. The district and the recovery high
23 school shall arrange to confer a diploma when a student completes state and district-mandated
24 graduation requirements. ~~The local share of education funding shall be paid to the recovery high~~
25 ~~school in the same manner as the local share of education funding is paid to charter public~~
26 ~~schools, the William M. Davies, Jr. Career and Technical High School, and the Metropolitan~~
27 ~~Regional Career and Technical Center, as outlined in § 16-7.2-5.~~

28 (c) For FY 2017, the state shall appropriate no less than five hundred thousand dollars
29 (\$500,000) for the administration and programmatic costs of each recovery high school.

30 ~~(e)~~(d) A recovery high school shall submit to the ~~board of regents~~ council on elementary
31 and secondary education academic data considered necessary by the board to provide information
32 regarding each student's academic performance, subject to applicable health confidentiality laws
33 and regulations.

34 ~~(d)~~(e) The ~~board of regents~~ council on elementary and secondary education, in

1 consultation with the department of behavioral health, developmental disabilities and hospitals
2 shall promulgate rules and regulations as necessary to implement and carry out the intent of this
3 chapter.

4 SECTION 9. This article shall take effect upon passage.

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ARTICLE 12

RELATING TO BUDGET AND ACCOUNTS

SECTION 1. Section 16-59-9 of the General Laws in Chapter 16-59 entitled "Board of Governors for Higher Education [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby amended to read as follows:

16-59-9. Educational budget and appropriations. -- (a) The general assembly shall annually appropriate any sums it deems necessary for support and maintenance of higher education in the state and the state controller is authorized and directed to draw his or her orders upon the general treasurer for the payment of the appropriations or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him or her of proper vouchers as the council on postsecondary education may by rule provide. The council shall receive, review, and adjust the budget for the office of postsecondary commissioner and present the budget as part of the budget for higher education under the requirements of § 35-3-4.

(b) The office of postsecondary commissioner and the institutions of public higher education shall establish working capital accounts.

(c) Any tuition or fee increase schedules in effect for the institutions of public higher education shall be received by the council on postsecondary education for allocation for the fiscal year for which state appropriations are made to the council by the general assembly; provided that no further increases may be made by the board of education or the council on postsecondary education for the year for which appropriations are made. Except that these provisions shall not apply to the revenues of housing, dining, and other auxiliary facilities at the University of Rhode Island, Rhode Island College, and the Community Colleges including student fees as described in P.L. 1962, ch. 257 pledged to secure indebtedness issued at any time pursuant to P.L. 1962, ch. 257 as amended.

(d) All housing, dining, and other auxiliary facilities at all public institutions of higher learning shall be self-supporting and no funds shall be appropriated by the general assembly to pay operating expenses, including principal and interest on debt services, and overhead expenses for the facilities. Any debt service costs on general obligation bonds presented to the voters in November 2000 and November 2004 or appropriated funds from the Rhode Island capital plan for the housing auxiliaries at the University of Rhode Island and Rhode Island College shall not be

1 subject to this self-supporting requirement in order to provide funds for the building construction
2 and rehabilitation program. The institutions of public higher education will establish policies and
3 procedures which enhance the opportunity for auxiliary facilities to be self-supporting, including
4 that all faculty provide timely and accurate copies of booklist for required textbooks to the public
5 higher educational institution's bookstore.

6 (e) The additional costs to achieve self-supporting status shall be by the implementation
7 of a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to,
8 operating expenses, principal, and interest on debt services, and overhead expenses.

9 (f) The board of education is authorized to establish a restricted receipt account for the
10 Westerly Higher Education and Industry Center (also known as the Westerly Job Skills Center or
11 Westerly Higher Education Learning Center) and to collect lease payments from occupying
12 companies, and fees from room and service rentals, to support the operation and maintenance of
13 the facility. All such revenues shall be deposited to the restricted receipt account.

14 SECTION 2. Section 35-3-4 of the General Laws in Chapter 35-3 entitled "State Budget"
15 is hereby amended to read as follows:

16 **35-3-4. Estimates submitted by department heads.** -- (a) On dates determined by the
17 budget officer, but not later than the first day of October in each year, each head of a department
18 of the state government, not including the general assembly or the judiciary, shall assemble,
19 correlate, and revise, with power to increase or decrease, the estimates for expenditures and
20 requests for appropriations for the next ensuing fiscal year of each of the divisions, boards,
21 commissions, officers, bureaus, institutions, or agencies of the state included within his or her
22 department, and, after this revision, shall prepare an itemized departmental estimate of the
23 appropriations necessary to meet the financial needs of the department, including a statement in
24 detail of all moneys for which any general or special appropriation is desired at the ensuing
25 session of the general assembly. The estimate shall be in such form, and in such number of
26 copies, and with such explanation as the budget officer may require, and, on dates determined by
27 the budget officer, but not later than the first day of October in each year, shall be submitted to
28 the governor through the budget officer and to the fiscal advisors of the house and senate. ~~The~~
29 ~~budget officer shall provide copies to the house fiscal advisor and senate fiscal advisor.~~

30 (b) The estimates shall also include a supplemental presentation of estimates of
31 expenditures for information resources and information technologies as defined in § 29-8-2
32 [repealed] regardless of source of financing. The estimate shall include a detailed listing and
33 explanation of expenses and the source of funds and shall be in such form, and in such number of
34 copies, and with such explanation as the budget officer may require. Copies shall be provided

1 directly to the house fiscal advisor, the senate fiscal advisor, and the Rhode Island Information
2 Resources Management Board.

3 SECTION 3. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
4 is hereby amended to read as follows:

5 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** -- Indirect cost
6 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt
7 accounts, to be recorded as general revenues in the general fund. However, there shall be no
8 transfer from cash receipts with restrictions received exclusively: (1) From contributions from
9 non-profit charitable organizations; (2) From the assessment of indirect cost recovery rates on
10 federal grant funds; or (3) Through transfers from state agencies to the department of
11 administration for the payment of debt service. These indirect cost recoveries shall be applied to
12 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
13 following restricted receipt accounts shall not be subject to the provisions of this section:

14 Executive Office of Health and Human Services
15 Organ Transplant Fund
16 HIV Care Grant Drug Rebates
17 Department of Human Services
18 Veterans' home – Restricted account
19 Veterans' home – Resident benefits
20 Pharmaceutical Rebates Account
21 Demand Side Management Grants
22 Veteran's Cemetery Memorial Fund
23 Donations – New Veterans' Home Construction
24 Department of Health
25 Providence Water Lead Grant
26 Pandemic medications and equipment account
27 Miscellaneous Donations/Grants from Non-Profits
28 State Loan Repayment Match
29 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
30 Eleanor Slater non-Medicaid third-party payor account
31 Hospital Medicare Part D Receipts
32 RICLAS Group Home Operations
33 Commission on the Deaf and Hard of Hearing
34 Emergency and public communication access account

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

1 Children's Trust Accounts – SSI
2 Military Staff
3 RI Military Family Relief Fund
4 RI National Guard Counterdrug Program
5 Treasury
6 Admin. Expenses – State Retirement System
7 Retirement – Treasury Investment Options
8 Defined Contribution – Administration - RR
9 Violent Crimes Compensation – Refunds
10 Treasury Research Fellowship
11 Business Regulation
12 Banking Division Reimbursement Account
13 Office of the Health Insurance Commissioner Reimbursement Account
14 Securities Division Reimbursement Account
15 Commercial Licensing and Racing and Athletics Division Reimbursement Account
16 Insurance Division Reimbursement Account
17 Historic Preservation Tax Credit Account.
18 Judiciary
19 Arbitration Fund Restricted Receipt Account
20 Third-Party Grants
21 RI Judiciary Technology Surcharge Account
22 Department of Elementary and Secondary Education
23 Statewide Student Transportation Services Account
24 School for the Deaf Fee for Service Account
25 Davies Career and Technical School Local Education Aid Account
26 Davies – National School Breakfast & Lunch Program
27 [Office of the Post-Secondary Commissioner](#)
28 [Westerly Higher Education and Industry Center](#)
29 Department of Labor and Training
30 Job Development Fund
31 Department of Transportation
32 Rhode Island Highway Maintenance Account
33 SECTION 4. This article shall take effect as of July 1, 2016.

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ARTICLE 13 AS AMENDED

RELATING TO TAXES AND REVENUES

SECTION 1. Section 3-6-1 of the General Laws in Chapter 3-6 entitled "Manufacturing and Wholesale Licenses" is hereby amended to read as follows:

3-6-1. Manufacturer's license. -- (a) A manufacturer's license authorizes the holder to establish and operate a brewery, distillery, or winery at the place described in the license for the manufacture of beverages within this state. The license does not authorize more than one of the activities of operator of a brewery or distillery or winery and a separate license shall be required for each plant.

(b) The license also authorizes the sale at wholesale at the licensed place by the manufacturer of the product of the licensed plant to another license holder and the transportation and delivery from the place of sale to a licensed place or to a common carrier for that delivery. The license does not authorize the sale of beverages for consumption on premises where sold. The license does not authorize the sale of beverages in this state for delivery outside this state in violation of the law of the place of delivery. The license holder may provide to visitors in conjunction with a tour and/or tasting, samples, clearly marked as samples, not to exceed three hundred seventy-five milliliters (375 ml) per visitor for distilled spirits and seventy-two ounces (72 oz) per visitor for malt beverages at the licensed plant by the manufacturer of the product of the licensed plant to visitors for off-premise consumption. The license does not authorize providing samples to a visitor of any alcoholic beverages for off-premise consumption that are not manufactured at the licensed plant.

(c) The annual fee for the license is three thousand dollars (\$3,000) for a distillery producing more than fifty thousand (50,000) gallons per year and five hundred dollars (\$500) for a distillery producing less than or equal to fifty thousand (50,000) gallons per year, five hundred dollars (\$500) for a brewery, and one thousand five hundred dollars (\$1,500) for a winery producing more than fifty thousand (50,000) gallons per year and five hundred dollars (\$500) per year for a winery producing less than fifty thousand (50,000) gallons per year. All those fees are prorated to the year ending December 1 in every calendar year and shall be paid to the division of taxation and be turned over to the general treasurer for the use of the state.

SECTION 2. Section 3-10-1 of the General Laws in Chapter 3-10 entitled "Taxation of

1 Beverages" is hereby amended to read as follows:

2 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.** -- (a) There shall be
3 assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or
4 reduced for sale in this state a tax of three dollars and thirty cents (\$3.30) on every thirty-one (31)
5 gallons, and a tax at a like rate for any other quantity or fractional part. On any beverage
6 manufactured, rectified, blended, or reduced for sale in this state consisting in whole or in part of
7 wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors (as distinguished
8 from beer or other brewery products), the tax to be assessed and levied is as follows:

9 (1) Still wines (whether fortified or not), one dollar and forty cents (\$1.40) per gallon;

10 (2) Still wines (whether fortified or not) made entirely from fruit grown in this state,
11 thirty cents (\$.30) per gallon;

12 (3) Sparkling wines (whether fortified or not), seventy five cents (\$.75) per gallon;

13 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
14 or in part of alcohol that is the product of distillation, five dollars and forty cents (\$5.40) per
15 gallon, except that whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in
16 whole or in part of alcohol that is the product of distillation but that contains alcohol measuring
17 thirty (30) proof or less, one dollar and ten cents (\$1.10) per gallon;

18 (5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents (\$7.50)
19 per gallon; and

20 (6) Ethyl alcohol to be used for nonbeverage purposes, eight cents (\$.08) per gallon.

21 (b) Sacramental wines are not subject to any tax if sold directly to a member of the
22 clergy for use by the purchaser or his or her congregation for sacramental or other religious
23 purposes.

24 (c) A brewer who brews beer in this state that is actively and directly owned, managed,
25 and operated by an authorized legal entity that has owned, managed, and operated a brewery in
26 this state for at least twelve (12) consecutive months, shall receive a tax exemption on the first
27 one hundred thousand (100,000) barrels of beer that it produces and distributes in this state in any
28 calendar year. A barrel of beer is thirty one (31) gallons.

29 (d) A distiller who distills spirits in this state that is actively and directly owned,
30 managed, and operated by an authorized legal entity that has owned, managed, and operated a
31 distillery in this state for at least twelve (12) consecutive months, shall receive a tax exemption on
32 the first fifty thousand (50,000) gallons of distilled spirits that it produces and distributes in this
33 state in any calendar year.

34 SECTION 3. Section 7-12-56 of the General Laws in Chapter 7-12 entitled

1 "Partnerships" is hereby amended to read as follows:

2 **7-12-56. Registered limited liability partnerships.** -- (a) To become and to continue as
3 a registered limited liability partnership, a partnership shall file with the secretary of state an
4 application or a renewal application, stating the name of the partnership, the address of its
5 principal office, if the partnership's principal office is not located in this state, the address of a
6 registered office and the name and address of a registered agent for service of process in this state
7 which a partnership is required to maintain. In addition, partnerships under this section shall
8 provide the names and addresses of all resident partners, the place where the business records of
9 the partnership are maintained, or if more than one location for business records is maintained,
10 then the principal place of business of the partnership, number, a brief statement of the business
11 in which the partnership engaged, and that the partnership applies for status or renewal of its
12 status, as a registered limited liability partnership.

13 (b) The application or renewal application is executed by a majority in interest of the
14 partners or by one or more partners authorized to execute an application or renewal application.

15 (c) The application ~~or renewal application~~ is accompanied by a fee of ~~one hundred~~
16 ~~dollars (\$100)~~ one hundred fifty dollars (\$150) ~~for each partner, not to exceed two thousand five~~
17 ~~hundred dollars (\$2,500)~~ for each partnership's initial filing ~~or subsequent renewal application~~.

18 Renewal applications are to be filed yearly and are to be accompanied by a fee of fifty
19 dollars (\$50.00).

20 (d) The secretary of state shall register as a registered limited liability partnership, and
21 shall renew the registration of any limited liability partnership, any partnership that submits a
22 completed application or renewal application with the required fee.

23 (e) Registration is effective for one year after the date an application is filed, unless
24 voluntarily withdrawn by filing with the secretary of state a written withdrawal notice executed
25 by a majority in interest of the partners or by one or more partners authorized to execute a
26 withdrawal. Registration, whether pursuant to an original application or a renewal application, as
27 a registered limited liability partnership is renewed if, during the sixty (60) day period preceding
28 the date the application or renewal application otherwise would have expired, the partnership
29 filed with the secretary of state a renewal application. A renewal application expires one year
30 after the date an original application would have expired if the last renewal of the application had
31 not occurred.

32 (f) The status of a partnership as a registered limited liability partnership is not affected
33 by changes after the filing of an application or a renewal application in the information stated in
34 the application or renewal application.

1 (g) The secretary of state may provide forms for application for or renewal of
2 registration. Any renewals shall maintain resident partners as set out in this section.

3 (h) A partnership that registers as a registered limited liability partnership is not deemed
4 to have dissolved as a result of that registration and is for all purposes the same partnership that
5 existed before the registration and continues to be a partnership under the laws of this state. If a
6 registered limited liability partnership dissolves, a partnership which is a successor to the
7 registered limited liability partnership and which intends to be a registered limited liability
8 partnership is not required to file a new application and is deemed to have filed any documents
9 required or permitted under this chapter which were filed by the predecessor partnership.

10 (i) The fact that an application or renewal application is on file in the office of the
11 secretary of state is notice that the partnership is a registered limited liability partnership and is
12 notice of all other facts stated in the application or renewal application.

13 SECTION 4. Section 7-12-60 of the General Laws in Chapter 7-12 entitled
14 "Partnerships" is hereby amended to read as follows:

15 **7-12-60. Filing of returns with the tax administrator -- Annual charge.** -- (a) For tax
16 years beginning on or after January 1, 2012 a limited liability partnership registered under § 7-12-
17 56, shall file a return in the form and containing the information as prescribed by the tax
18 administrator as follows:

19 (1) If the fiscal year of the limited liability partnership is the calendar year, on or before
20 the fifteenth (15th) day of April in the year following the close of the fiscal year; and

21 (2) If the fiscal year of the limited liability partnership is not a calendar year, on or
22 before the fifteenth (15th) day of the fourth (4th) month following the close of the fiscal year.

23 (b) For tax years beginning after December 31, 2015, a limited liability partnership
24 registered under §7-12-56, shall file a return in the form and containing the information as
25 prescribed by the tax administrator and shall be filed on or before the date a federal tax return is
26 due to be filed, without regard to extension.

27 ~~(b)~~(c) An annual charge, equal to the minimum tax imposed upon a corporation under
28 subsection 44-11-2(e), shall be due on the filing of the limited liability partnership's return filed
29 with the tax administrator and shall be paid to the division of taxation.

30 ~~(e)~~(d) The annual charge is delinquent if not paid by the due date for the filing of the
31 return and an addition of one hundred dollars (\$100) to the charge is then due.

32 SECTION 5. Section 7-13-69 of the General Laws in Chapter 7-13 entitled "Limited
33 Partnerships" is hereby amended to read as follows:

34 **7-13-69. Filing of returns with the tax administrator -- Annual charge.** -- (a) For tax

1 years beginning on or after January 1, 2012 a limited partnership certified under this chapter shall
2 file a return in the form and containing the information as prescribed by the tax administrator as
3 follows:

4 (1) If the fiscal year of the limited partnership is the calendar year, on or before the
5 fifteenth (15th) day of April in the year following the close of the fiscal year; and

6 (2) If the fiscal year of the limited partnership is not a calendar year, on or before the
7 fifteenth (15th) day of the fourth (4th) month following the close of the fiscal year.

8 (b) For tax years beginning after December 31, 2015, a limited partnership certified under
9 this chapter shall file a return in the form and containing the information as prescribed by the tax
10 administrator and shall be filed on or before the date a federal tax return is due to be filed, without
11 regard to extension.

12 ~~(b)~~(c) An annual charge, equal to the minimum tax imposed upon a corporation under
13 subsection 44-11-2(e), shall be due on the filing of the limited partnership's return filed with the
14 tax administrator and shall be paid to the division of taxation.

15 ~~(e)~~(d) The annual charge is delinquent if not paid by the due date for the filing of the
16 return and an addition of one hundred dollars (\$100) to the charge is then due.

17 SECTION 6. Section 7-16-67 of the General Laws in Chapter 7-16 entitled "The Rhode
18 Island Limited Liability Company Act" is hereby amended to read as follows:

19 **7-16-67. Filing of returns with the tax administrator -- Annual charge.** -- (a) A return
20 in the form and containing the information as the tax administrator may prescribe shall be filed
21 with the tax administrator by the limited liability company:

22 (1) In case the fiscal year of the limited liability company is the calendar year, on or
23 before the fifteenth day of March in the year following the close of the fiscal year; and

24 (2) In case the fiscal year of the limited liability company is not a calendar year, on or
25 before the fifteenth day of the third month following the close of the fiscal year.

26 (b) For tax years on or after January 1, 2016, a return in the form and containing the
27 information as the tax administrator may prescribe shall be filed with the tax administrator by the
28 limited liability company and shall be filed on or before the date a federal tax return is due to be
29 filed, without regard to extension.

30 ~~(b)~~(c) An annual charge shall be due on the filing of the limited liability company's
31 return filed with the tax administrator and shall be paid to the Division of Taxation as follows:

32 (1) If the limited liability company is treated as a corporation for purposes of federal
33 income taxation, it shall pay the taxes as provided in chapters 11 and 12 of title 44; or

34 (2) If the limited liability company is not treated as a corporation for purposes of federal

1 income taxation, it shall pay a fee in an amount equal to the minimum tax imposed upon a
2 corporation under § 44-11-2(e). The due date for a limited liability company that is not treated as
3 a corporation for purposes of federal income taxation shall be on or before the fifteenth (15th) day
4 of the fourth (4th) month following the close of the fiscal year.

5 (d) For tax years on or after January 1, 2016, a return in the form and containing the
6 information as the tax administrator may prescribe shall be filed with the tax administrator by the
7 limited liability company and shall be filed on or before the date a federal tax return is due to be
8 filed, without regard to extension.

9 ~~(e)~~(e) The annual charge is delinquent if not paid by the due date for the filing of the
10 return and an addition of one hundred dollars (\$100.00) to the charge is then due.

11 SECTION 7. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
12 “Licensing of Health Care Facilities” is hereby amended to read as follows:

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

30 ~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred
31 sixty-two thousandths percent (5.862%) upon the net patient services revenue of every hospital
32 for the hospital's first fiscal year ending on or after January 1, 2014, except that the license fee for
33 all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven
34 percent (37%). The discount for Washington County hospitals is subject to approval by the

1 Secretary of the US Department of Health and Human Services of a state plan amendment
2 submitted by the executive office of health and human services for the purpose of pursuing a
3 waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be
4 administered and collected by the tax administrator, division of taxation within the department of
5 revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall
6 apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 11,
7 2016 and payments shall be made by electronic transfer of monies to the general treasurer and
8 deposited to the general fund. Every hospital shall, on or before June 13, 2016, make a return to
9 the tax administrator containing the correct computation of net patient services revenue for the
10 hospital fiscal year ending September 30, 2014, and the licensing fee due upon that amount. All
11 returns shall be signed by the hospital's authorized representative, subject to the pains and
12 penalties of perjury.

13 (b) There is also imposed a hospital licensing fee at the rate of five and six hundred fifty-
14 two thousandths percent (5.652%) upon the net patient services revenue of every hospital for the
15 hospital's first fiscal year ending on or after January 1, 2015, except that the license fee for all
16 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
17 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
18 the US Department of Health and Human Services of a state plan amendment submitted by the
19 executive office of health and human services for the purpose of pursuing a waiver of the
20 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
21 collected by the tax administrator, division of taxation within the department of revenue, and all
22 the administration, collection and other provisions of chapter 51 of title 44 shall apply. Every
23 hospital shall pay the licensing fee to the tax administrator on or before July 10, 2017 and
24 payments shall be made by electronic transfer of monies to the general treasurer and deposited to
25 the general fund. Every hospital shall, on or before June 14, 2017, make a return to the tax
26 administrator containing the correct computation of net patient services revenue for the hospital
27 fiscal year ending September 30, 2015, and the licensing fee due upon that amount. All returns
28 shall be signed by the hospital's authorized representative, subject to the pains and penalties of
29 perjury.

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

32 (1) "Hospital" means the actual facilities and buildings in existence in Rhode Island,
33 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on
34 that license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital

1 conversions) and §23-17-6 (b) (change in effective control), that provides short-term acute
2 inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for
3 injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated
4 Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital
5 through receivership, special mastership or other similar state insolvency proceedings (which
6 court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon
7 the newly negotiated rates between the court-approved purchaser and the health plan, and such
8 rates shall be effective as of the date that the court-approved purchaser and the health plan
9 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology
10 for inpatient hospital payments and outpatient hospital payments set for the §§ 40-8-
11 13.4(b)(1)(B)(iii) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases
12 for each annual twelve (12) month period as of July 1 following the completion of the first full
13 year of the court-approved purchaser's initial Medicaid managed care contract.

14 (2) "Gross patient services revenue" means the gross revenue related to patient care
15 services.

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

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

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

25 SECTION 8. Section 31-36.1-18 of the General Laws in Chapter 31-36.1 entitled "Fuel
26 Use Reporting Law" is hereby amended to read as follows:

27 **31-36.1-18. Disposition of proceeds.** -- All money collected under the provisions of this
28 chapter shall be ~~deposited as general revenues~~ deposited in the intermodal surface transportation
29 fund as established in §31-36-20 of the general laws.

30 SECTION 9. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business
31 Corporation Tax" is hereby amended to read as follows:

32 ~~**44-11-2. Imposition of tax. [Effective until January 1, 2017.]** -- (a) Each corporation~~
33 ~~shall annually pay to the state a tax equal to nine percent (9%) of net income, as defined in § 44-~~
34 ~~11-11, qualified in § 44-11-12, and apportioned to this state as provided in §§ 44-11-13 -- 44-11-~~

1 ~~15, for the taxable year. For tax years beginning on or after January 1, 2015, each corporation~~
2 ~~shall annually pay to the state a tax equal to seven percent (7.0%) of net income, as defined in §~~
3 ~~44-11-13—44-11-15, for the taxable year.~~

4 ~~(b) A corporation shall pay the amount of any tax as computed in accordance with~~
5 ~~subsection (a) of this section after deducting from "net income," as used in this section, fifty~~
6 ~~percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if~~
7 ~~for the taxable year:~~

8 ~~(1) The corporation is engaged in buying, selling, dealing in, or holding securities on its~~
9 ~~own behalf and not as a broker, underwriter, or distributor;~~

10 ~~(2) Its gross receipts derived from these activities during the taxable year amounted to at~~
11 ~~least ninety percent (90%) of its total gross receipts derived from all of its activities during the~~
12 ~~year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable~~
13 ~~consideration, received during the taxable year in connection with the conduct of the taxpayer's~~
14 ~~activities.~~

15 ~~(c) A corporation shall not pay the amount of the tax computed on the basis of its net~~
16 ~~income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten~~
17 ~~cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of~~
18 ~~one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the~~
19 ~~corporation is either a "personal holding company" registered under the federal Investment~~
20 ~~Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real~~
21 ~~estate investment trust" as defined in the federal income tax law applicable to the taxable year.~~
22 ~~"Gross income" means gross income as defined in the federal income tax law applicable to the~~
23 ~~taxable year, plus:~~

24 ~~(1) Any interest not included in the federal gross income; minus~~

25 ~~(2) Interest on obligations of the United States or its possessions, and other interest~~
26 ~~exempt from taxation by this state; and minus~~

27 ~~(3) Fifty percent (50%) of the excess of capital gains over capital losses realized during~~
28 ~~the taxable year.~~

29 ~~(d) (1) A small business corporation having an election in effect under subchapter S, 26~~
30 ~~U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except~~
31 ~~that the corporation shall be subject to the provisions of subsection (a), to the extent of the income~~
32 ~~that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after~~
33 ~~January 1, 2015, a small business corporation having an election in effect under subchapter S, 26~~
34 ~~U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).~~

1 ~~(2) The shareholders of the corporation who are residents of Rhode Island shall include~~
2 ~~in their income their proportionate share of the corporation's federal taxable income.~~

3 ~~(3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

4 ~~(4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

5 ~~(e) Minimum tax. —The tax imposed upon any corporation under this section, including a~~
6 ~~small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et~~
7 ~~seq., shall not be less than four hundred fifty dollars (\$450).~~

8 ~~**44-11-2. Imposition of tax. [Effective January 1, 2017.]** (a) Each corporation shall~~
9 ~~annually pay to the state a tax equal to nine percent (9%) of net income, as defined in § 44-11-11,~~
10 ~~qualified in § 44-11-12, and apportioned to this state as provided in §§ 44-11-13—44-11-15, for~~
11 ~~the taxable year. For tax years beginning on or after January 1, 2015, each corporation shall~~
12 ~~annually pay to the state a tax equal to seven percent (7.0%) of net income, as defined in § 44-11-~~
13 ~~13—44-11-15, for the taxable year.~~

14 ~~(b) A corporation shall pay the amount of any tax as computed in accordance with~~
15 ~~subsection (a) of this section after deducting from "net income," as used in this section, fifty~~
16 ~~percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if~~
17 ~~for the taxable year:~~

18 ~~(1) The corporation is engaged in buying, selling, dealing in, or holding securities on its~~
19 ~~own behalf and not as a broker, underwriter, or distributor;~~

20 ~~(2) Its gross receipts derived from these activities during the taxable year amounted to at~~
21 ~~least ninety percent (90%) of its total gross receipts derived from all of its activities during the~~
22 ~~year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable~~
23 ~~consideration, received during the taxable year in connection with the conduct of the taxpayer's~~
24 ~~activities.~~

25 ~~(c) A corporation shall not pay the amount of the tax computed on the basis of its net~~
26 ~~income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten~~
27 ~~cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of~~
28 ~~one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the~~
29 ~~corporation is either a "personal holding company" registered under the federal Investment~~
30 ~~Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real~~
31 ~~estate investment trust" as defined in the federal income tax law applicable to the taxable year.~~
32 ~~"Gross income" means gross income as defined in the federal income tax law applicable to the~~
33 ~~taxable year, plus:~~

34 ~~(1) Any interest not included in the federal gross income; minus~~

1 ~~(2) Interest on obligations of the United States or its possessions, and other interest~~
2 ~~exempt from taxation by this state; and minus~~

3 ~~(3) Fifty percent (50%) of the excess of capital gains over capital losses realized during~~
4 ~~the taxable year.~~

5 ~~(d) (1) A small business corporation having an election in effect under subchapter S, 26~~
6 ~~U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except~~
7 ~~that the corporation shall be subject to the provisions of subsection (a), to the extent of the income~~
8 ~~that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after~~
9 ~~January 1, 2015, a small business corporation having an election in effect under subchapter S, 26~~
10 ~~U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).~~

11 ~~(2) The shareholders of the corporation who are residents of Rhode Island shall include~~
12 ~~in their income their proportionate share of the corporation's federal taxable income.~~

13 ~~(3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

14 ~~(4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

15 ~~(e) Minimum tax. The tax imposed upon any corporation under this section, including a~~
16 ~~small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et~~
17 ~~seq., shall not be less than four hundred fifty dollars (\$450) four hundred dollars (\$400)~~

18 **44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax
19 equal to nine percent (9%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and
20 apportioned to this state as provided in §§ 44-11-13 -- 44-11-15, for the taxable year. For tax
21 years beginning on or after January 1, 2015, each corporation shall annually pay to the state a tax
22 equal to seven percent (7.0%) of net income, as defined in § 44-11-13 - 44-11-15, for the taxable
23 year.

24 (b) A corporation shall pay the amount of any tax as computed in accordance with
25 subsection (a) of this section after deducting from "net income," as used in this section, fifty
26 percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if
27 for the taxable year:

28 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its
29 own behalf and not as a broker, underwriter, or distributor;

30 (2) Its gross receipts derived from these activities during the taxable year amounted to at
31 least ninety percent (90%) of its total gross receipts derived from all of its activities during the
32 year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
33 consideration, received during the taxable year in connection with the conduct of the taxpayer's
34 activities.

1 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
2 income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten
3 cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of
4 one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the
5 corporation is either a "personal holding company" registered under the federal Investment
6 Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real
7 estate investment trust" as defined in the federal income tax law applicable to the taxable year.
8 "Gross income" means gross income as defined in the federal income tax law applicable to the
9 taxable year, plus:

10 (1) Any interest not included in the federal gross income; minus

11 (2) Interest on obligations of the United States or its possessions, and other interest
12 exempt from taxation by this state; and minus

13 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during
14 the taxable year.

15 (d) (1) A small business corporation having an election in effect under subchapter S, 26
16 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
17 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
18 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after
19 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26
20 U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).

21 (2) The shareholders of the corporation who are residents of Rhode Island shall include
22 in their income their proportionate share of the corporation's federal taxable income.

23 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

24 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

25 (e) Minimum tax. - The tax imposed upon any corporation under this section, including a
26 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et
27 seq., shall not be less than four hundred fifty dollars (\$450). [For tax years beginning on or after](#)
28 [January 1, 2017 the tax imposed shall not be less than four hundred dollars \(\\$400\).](#)

29 SECTION 10. Section 44-11-3 of the General Laws in Chapter 44-11 entitled "Business
30 Corporation Tax" is hereby amended to read as follows:

31 **44-11-3. Filing of returns -- Due date.** - [\(a\) For tax years beginning before January 1,](#)
32 [2016, a](#) ~~A~~ return in the form and containing the information that the tax administrator may
33 prescribe shall be filed with the tax administrator by the taxpayer:

34 (1) In case the taxable year of the taxpayer is the calendar year, on or before March 15 in

1 the year following the close of the taxable year; and

2 (2) In case the taxable year of the taxpayer is a fiscal year, on or before the fifteenth
3 (15th) day of the third (3rd) month following the close of the fiscal year.

4 (b) For tax years beginning after December 31, 2015, a return in the form and containing
5 the information as the tax administrator may prescribe shall be filed with the tax administrator by
6 the taxpayer taxed as an S corporation and shall be filed on or before the date a federal tax return
7 is due to be filed, without regard to extension.

8 (c) For tax years beginning after December 31, 2015 a return in the form and containing
9 the information that the tax administrator may prescribe shall be filed with the tax administrator
10 by the taxpayer taxed as a C corporation and shall be filed on or before the date a federal return is
11 due to be filed, without regard to extension.

12 (d) Notwithstanding the provisions of subsection (a) and (b) of this section, a C
13 corporation with a tax year ending June 30 shall, in accordance with federal tax filing
14 requirements, not change its filing date until mandated by federal law which is currently due to be
15 effective close of fiscal year ending June 30, 2026.

16 SECTION 11. Section 44-13-6 of the General Laws in Chapter 44-13 entitled "Public
17 Service Corporation Tax" is hereby amended to read as follows:

18 **44-13-6. Due date of annual return.** -- Every corporation shall file a return with the tax
19 administrator on or before March 1 of each year. For tax years beginning after December 31,
20 2015, a return in the form and containing the information as the tax administrator may prescribe
21 shall be filed with the tax administrator by every corporation and shall be filed on or before the
22 date its federal tax return is due to be filed, without regard to extension.

23 SECTION 12. Section 44-14-6 of the General Laws in Chapter 44-14 entitled "Taxation
24 of Banks" is hereby amended to read as follows:

25 **44-14-6. Filing of annual return.** – (a) Every taxpayer shall file a return with the tax
26 administrator:

27 (1) In case the taxable year of the taxpayer is the calendar year, on or before March 15 in
28 the year following the close of the taxable year; and

29 (2) In case the taxable year of the taxpayer is a fiscal year, on or before the fifteenth
30 (15th) day of the third (3rd) month following the close of the fiscal year.

31 (b) For tax years beginning after December 31, 2015 a return in the form and containing
32 the information that the tax administrator may prescribe shall be filed with the tax administrator
33 by the taxpayer on or before the date a federal return is due to be filed, without regard to
34 extension.

1 SECTION 13. Section 44-17-1 of the General Laws in Chapter 44-17 entitled "Taxation
2 of Insurance Companies" is hereby amended to read as follows:

3 **44-17-1. Companies required to file -- Payment of tax -- Retaliatory rates.** -- Every
4 domestic, foreign, or alien insurance company, mutual association, organization, or other insurer,
5 including any health maintenance organization, as defined in § 27-41-1, any medical malpractice
6 insurance joint underwriters association as defined in § 42-14.1-1, any nonprofit dental service
7 corporation as defined in § 27-20.1-2 and any nonprofit hospital or medical service corporation,
8 as defined in chapters 27-19 and 27-20, except companies mentioned in § 44-17-6, and
9 organizations defined in § 27-25-1, transacting business in this state, shall, on or before ~~March 1~~
10 [April 15](#) in each year, file with the tax administrator, in the form that he or she may prescribe, a
11 return under oath or affirmation signed by a duly authorized officer or agent of the company,
12 containing information that may be deemed necessary for the determination of the tax imposed by
13 this chapter, and shall at the same time pay an annual tax to the tax administrator of two percent
14 (2%) of the gross premiums on contracts of insurance, except for ocean marine insurance, as
15 referred to in § 44-17-6, covering property and risks within the state, written during the calendar
16 year ending December 31st next preceding, but in the case of foreign or alien companies, except
17 as provided in § 27-2-17(d) the tax is not less in amount than is imposed by the laws of the state
18 or country under which the companies are organized upon like companies incorporated in this
19 state or upon its agents, if doing business to the same extent in the state or country.

20 SECTION 14. Section 44-18-7.3 of the General Laws in Chapter 44-18 entitled "Sales
21 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

22 **44-18-7.3. Services defined.** -- (a) "Services" means all activities engaged in for other
23 persons for a fee, retainer, commission, or other monetary charge, which activities involve the
24 performance of a service in this state as distinguished from selling property.

25 (b) The following businesses and services performed in this state, along with the
26 applicable 2007 North American Industrial Classification System (NAICS) codes, are included in
27 the definition of services:

28 (1) Taxicab and limousine services including but not limited to:

29 (i) Taxicab services including taxi dispatchers (485310); and

30 (ii) Limousine services (485320).

31 (2) Other road transportation service including but not limited to:

32 (i) Charter bus service (485510); ~~and~~

33 [\(ii\) "Transportation network companies" \(TNC\) defined as an entity that uses a digital](#)
34 [network to connect transportation network company riders to transportation network operators](#)

1 who provide prearranged rides. Any TNC operating in this state is a retailer as provided in §44-
2 18-15 and is required to file a business application and registration form and obtain a permit to
3 make sales at retail with the tax administrator, to charge, collect, and remit Rhode Island sales
4 and use tax; and

5 ~~(ii)~~(iii) All other transit and ground passenger transportation (485999).

6 (3) Pet care services (812910) except veterinary and testing laboratories services.

7 (4) (i) "Room reseller" or "reseller" means any person, except a tour operator as defined
8 in § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as
9 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the
10 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a
11 portion of the rental and other fees to the room reseller or reseller, room reseller or reseller shall
12 include, but not be limited to, sellers of travel packages as defined in this section.
13 Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy
14 is done using a room reseller or reseller, the application of the sales and use under §§ 44-18-18
15 and 44-18-20, and the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or
16 reseller is required to register with and shall collect and pay to the tax administrator the sales and
17 use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees paid
18 by the occupant to the room reseller or reseller, less the amount of any rental and other fees paid
19 by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax
20 administrator said taxes upon the amount of rental and other fees paid to the hotel by the room
21 reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator
22 against a hotel because of an incorrect remittance of the taxes under this chapter by a room
23 reseller or reseller. No assessment shall be made by the tax administrator against a room reseller
24 or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the
25 hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller,
26 as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said
27 taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and
28 room reseller or reseller shall add and collect from the occupant or the room reseller or the
29 reseller the full amount of the taxes imposed on the rental and other fees. When added to the
30 rental and other fees, the taxes shall be a debt owed by the occupant to the hotel or room reseller
31 or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The
32 amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant
33 under this chapter shall be stated and charged separately from the rental and other fees, and shall
34 be shown separately on all records thereof, whether made at the time the transfer of occupancy

1 occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the
2 reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of
3 tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the
4 occupant that the separately stated taxes charged by the room reseller or reseller include taxes
5 charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or
6 reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to §
7 44-19-1.

8 (ii) "Travel package" means a room or rooms bundled with one or more other, separate
9 components of travel such as air transportation, car rental or similar items, which travel package
10 is charged to the customer or occupant for a single retail price. When the room occupancy is
11 bundled for a single consideration, with other property, services, amusement charges, or any other
12 items, the separate sale of which would not otherwise be subject to tax under this chapter, the
13 entire single consideration shall be treated as the rental or other fees for room occupancy subject
14 to tax under this chapter; provided, however, that where the amount of the rental or other fees for
15 room occupancy is stated separately from the price of such other property, services, amusement
16 charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant,
17 and such rental and other fees are determined by the tax administrator to be reasonable in relation
18 to the value of such other property, services, amusement charges or other items, only such
19 separately stated rental and other fees will be subject to tax under this chapter. The value of the
20 transfer of any room or rooms bundled as part of a travel package may be determined by the tax
21 administrator from the room reseller's and/or reseller's and/or hotel's books and records that are
22 kept in the regular course of business.

23 (c) All services as defined herein are required to file a business application and
24 registration form and obtain a permit to make sales at retail with the tax administrator, to charge,
25 collect, and remit Rhode Island sales and use tax.

26 ~~(e)~~(d) The tax administrator is authorized to promulgate rules and regulations in
27 accordance with the provisions of chapter 42-35 to carry out the provisions, policies, and
28 purposes of this chapter.

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

31 **44-30-2.6. Rhode Island taxable income -- Rate of tax.** -- (a) "Rhode Island taxable
32 income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C.
33 § 1 et seq., not including the increase in the basic standard deduction amount for married couples
34 filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and

1 the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by
2 the modifications in § 44-30-12.

3 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
4 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
5 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-
6 five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year
7 2002 and thereafter of the federal income tax rates, including capital gains rates and any other
8 special rates for other types of income, except as provided in § 44-30-2.7, which were in effect
9 immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of
10 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator
11 beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the
12 commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or
13 after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in § 44-30-
14 2.10 to calculate his or her personal income tax liability.

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

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

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

32 (A) Tax imposed.

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

1	If taxable income is:	The tax is:
2	Not over \$53,150	3.75% of taxable income
3	Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
4	Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
5	Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
6	Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

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

9	If taxable income is:	The tax is:
10	Not over \$42,650	3.75% of taxable income
11	Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
12	Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
13	Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
14	Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

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

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

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

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

32 (5) There is hereby imposed a taxable income of an estate or trust a tax determined in
33 accordance with the following table:

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

6 (6) Adjustments for inflation. The dollars amount contained in paragraph (A) shall be
7 increased by an amount equal to:

- 8 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;
- 9 (b) The cost-of-living adjustment determined under section (J) with a base year of 1993;
- 10 (c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in making
- 11 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
- 12 be determined under section (J) by substituting "1994" for "1993."

13 (B) Maximum capital gains rates

14 (1) In general If a taxpayer has a net capital gain for tax years ending prior to January 1,
15 2010, the tax imposed by this section for such taxable year shall not exceed the sum of:

- 16 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
- 17 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).
- 18 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
- 19 1(h)(1)(c).
- 20 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26
- 21 U.S.C. 1(h)(1)(d).
- 22 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
- 23 1(h)(1)(e).

24 (2) For tax years beginning on or after January 1, 2010 the tax imposed on net capital
25 gain shall be determined under subdivision 44-30-2.6(c)(2)(A).

26 (C) Itemized deductions.

27 (1) In general

28 For the purposes of section (2) "itemized deductions" means the amount of federal
29 itemized deductions as modified by the modifications in § 44-30-12.

30 (2) Individuals who do not itemize their deductions In the case of an individual who does
31 not elect to itemize his deductions for the taxable year, they may elect to take a standard
32 deduction.

33 (3) Basic standard deduction. The Rhode Island standard deduction shall be allowed in
34 accordance with the following table:

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

6 (4) Additional standard deduction for the aged and blind. An additional standard
7 deduction shall be allowed for individuals age sixty-five (65) or older or blind in the amount of
8 \$1,300 for individuals who are not married and \$1,050 for individuals who are married.

9 (5) Limitation on basic standard deduction in the case of certain dependents. In the case
10 of an individual to whom a deduction under section (E) is allowable to another taxpayer, the basic
11 standard deduction applicable to such individual shall not exceed the greater of:

12 (a) \$850;

13 (b) The sum of \$300 and such individual's earned income;

14 (6) Certain individuals not eligible for standard deduction. In the case of:

15 (a) A married individual filing a separate return where either spouse itemizes deductions;

16 (b) Nonresident alien individual;

17 (c) An estate or trust;

18 The standard deduction shall be zero.

19 (7) Adjustments for inflation. Each dollars amount contained in paragraphs (3), (4) and
20 (5) shall be increased by an amount equal to:

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

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

24 (D) Overall limitation on itemized deductions

25 (1) General rule.

26 In the case of an individual whose adjusted gross income as modified by § 44-30-12
27 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
28 taxable year shall be reduced by the lesser of:

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

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

33 (2) Applicable amount.

34 (a) In general.

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

3 (b) Adjustments for inflation. Each dollar amount contained in paragraph (a) shall be
4 increased by an amount equal to:

- 5 (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by
- 6 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.
- 7 (3) Phase-out of Limitation.

8 (a) In general.

9 In the case of taxable year beginning after December 31, 2005, and before January 1,
10 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
11 would be the amount of such reduction.

12 (b) Applicable fraction. For purposes of paragraph (a), the applicable fraction shall be
13 determined in accordance with the following table:

14 For taxable years beginning in calendar year	The applicable fraction is
15 2006 and 2007	2/3
16 2008 and 2009	1/3

17 (E) Exemption amount

18 (1) In general.

19 Except as otherwise provided in this subsection, the term "exemption amount" mean
20 \$3,400.

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

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

25 (3) Adjustments for inflation.

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

- 27 (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by
- 28 (b) The cost-of-living adjustment determined under section (J) with a base year of 1989.
- 29 (4) Limitation.

30 (a) In general.

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

33 (b) Applicable percentage. In the case of any taxpayer whose adjusted gross income for
34 the taxable year exceeds the threshold amount, the exemption amount shall be reduced by two (2)

1 percentage points for each \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross
 2 income for the taxable year exceeds the threshold amount. In the case of a married individual
 3 filing a separate return, the preceding sentence shall be applied by substituting "\$1,250" for
 4 "\$2,500." In no event shall the applicable percentage exceed one hundred percent (100%).

5 (c) Threshold Amount. For the purposes of this paragraph, the term "threshold amount"
 6 shall be determined with the following table:

7 Filing status	Amount
8 Single	\$156,400
9 Married filing jointly of qualifying widow(er)	\$234,600
10 Married filing separately	\$117,300
11 Head of Household	\$195,500

12 (d) Adjustments for inflation.

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

- 14 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by
- 15 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

16 (5) Phase-out of Limitation.

17 (a) In general.

18 In the case of taxable years beginning after December 31, 2005, and before January 1,
 19 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
 20 would be the amount of such reduction.

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

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

26 (F) Alternative minimum tax

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

- 29 (a) The tentative minimum tax for the taxable year, over
- 30 (b) The regular tax for the taxable year.

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

- 32 (a) 6.5 percent of so much of the taxable excess as does not exceed \$175,000, plus
- 33 (b) 7.0 percent of so much of the taxable excess above \$175,000.

34 (3) The amount determined under the preceding sentence shall be reduced by the

1 alternative minimum tax foreign tax credit for the taxable year.

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

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

7 (6) Exemption amount. For purposes of this section "exemption amount" means:

8 Filing status	Amount
9 Single	\$39,150
10 Married filing jointly or qualifying widow(er)	\$53,700
11 Married filing separately	\$26,850
12 Head of Household	\$39,150
13 Estate or trust	\$24,650

14 (7) Treatment of unearned income of minor children

15 (a) In general.

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

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

19 (ii) \$6,000.

20 (8) Adjustments for inflation.

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

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

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

26 (9) Phase-out.

27 (a) In general.

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

31 (b) Threshold amount. For purposes of this paragraph, the term "threshold amount" shall
32 be determined with the following table:

33 Filing status	Amount
34 Single	\$123,250

1	Married filing jointly or qualifying widow(er)	\$164,350
2	Married filing separately	\$82,175
3	Head of Household	\$123,250
4	Estate or Trust	\$82,150

5 (c) Adjustments for inflation

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

- 7 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by
- 8 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

9 (G) Other Rhode Island taxes

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

- 12 (a) The Federal income tax on lump-sum distributions.
- 13 (b) The Federal income tax on parents' election to report child's interest and dividends.
- 14 (c) The recapture of Federal tax credits that were previously claimed on Rhode Island
15 return.

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

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

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

19 (I) Averaging of farm income

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

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

23 (J) Cost-of-living adjustment

24 (1) In general.

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

- 26 (a) The CPI for the preceding calendar year exceeds
- 27 (b) The CPI for the base year.

28 (2) CPI for any calendar year. For purposes of paragraph (1), the CPI for any calendar
29 year is the average of the Consumer Price Index as of the close of the twelve (12) month period
30 ending on August 31 of 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,
20 a 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, a taxpayer entitled to a federal
7 earned income credit shall be allowed a Rhode Island earned income credit equal to twelve and
8 one-half percent (12.5%) of the federal earned income credit. Such credit shall not exceed the
9 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 Over
\$0 -	\$55,000	\$0 + 3.75%	\$0
55,000 -	125,000	2,063 + 4.75%	55,000
125,000 -		5,388 + 5.99%	125,000

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

RI Taxable Income		RI Income Tax	
Over	But not Over	Pay + % On Excess	On The Amount Over
\$0 -	\$2,230	\$0 + 3.75%	\$0
2,230 -	7,022	84 + 4.75%	2,230
7,022 -		312 + 5.99%	7,022

16 (B) Deductions:

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

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

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

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

32 (C) Exemption Amount:

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

1 purposes.

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

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

12 (E) Adjustment for inflation. - The dollar amount contained in subparagraphs 44-30-
13 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
14 equal to:

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

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

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

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

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

33 (E) Credits against tax.

34 (I) Notwithstanding any other provisions of Rhode Island Law, for tax years beginning on

1 or after January 1, 2011, the only credits allowed against a tax imposed under this chapter shall be
2 as follows:

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

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

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

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

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

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

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

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

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

27 (j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested
28 in RI wavemaker fellowship program as provided in §42-64.26-1 et seq.

29 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
30 §42-64.20-1 et seq.

31 (l) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode
32 Island new qualified jobs incentive program credit as provided in §44-48.3-1 et seq.

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

1 SECTION 16. Section 44-30-12 of the General Laws in Chapter 44-30 entitled "Personal
2 Income Tax" is hereby amended to read as follows:

3 **44-30-12. Rhode Island income of a resident individual.** -- (a) General. - The Rhode
4 Island income of a resident individual means his or her adjusted gross income for federal income
5 tax purposes, with the modifications specified in this section.

6 (b) Modifications increasing federal adjusted gross income. - There shall be added to
7 federal adjusted gross income:

8 (1) Interest income on obligations of any state, or its political subdivisions, other than
9 Rhode Island or its political subdivisions;

10 (2) Interest or dividend income on obligations or securities of any authority, commission,
11 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the
12 extent exempted by the laws of the United States from federal income tax but not from state
13 income taxes;

14 (3) The modification described in § 44-30-25(g);

15 (4) (i) The amount defined below of a nonqualified withdrawal made from an account in
16 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified
17 withdrawal is:

18 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
19 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-
20 6.1; and

21 (B) A withdrawal or distribution which is:

22 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined
23 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

24 (II) Not made for a reason referred to in § 16-57-6.1(e); or

25 (III) Not made in other circumstances for which an exclusion from tax made applicable
26 by Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,
27 withdrawal or distribution is made within two (2) taxable years following the taxable year for
28 which a contributions modification pursuant to subdivision (c)(4) of this section is taken based on
29 contributions to any tuition savings program account by the person who is the participant of the
30 account at the time of the contribution, whether or not the person is the participant of the account
31 at the time of the transfer, rollover, withdrawal or distribution;

32 (ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this
33 subdivision, there shall be added to the federal adjusted gross income of that person for the
34 taxable year of the withdrawal an amount equal to the lesser of:

1 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
2 administrative fee or penalty imposed under the tuition savings program in connection with the
3 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
4 person's federal adjusted gross income for the taxable year; and

5 (B) The amount of the person's contribution modification pursuant to subdivision (c)(4)
6 of this section for the person's taxable year of the withdrawal and the two (2) prior taxable years
7 less the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
8 computing the person's Rhode Island income by application of this subsection for those years.
9 Any amount added to federal adjusted gross income pursuant to this subdivision shall constitute
10 Rhode Island income for residents, nonresidents and part-year residents; and

11 (5) The modification described in § 44-30-25.1(d)(3)(i).

12 (6) The amount equal to any unemployment compensation received but not included in
13 federal adjusted gross income.

14 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
15 qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6).

16 (c) Modifications reducing federal adjusted gross income. - There shall be subtracted
17 from federal adjusted gross income:

18 (1) Any interest income on obligations of the United States and its possessions to the
19 extent includible in gross income for federal income tax purposes, and any interest or dividend
20 income on obligations, or securities of any authority, commission, or instrumentality of the
21 United States to the extent includible in gross income for federal income tax purposes but exempt
22 from state income taxes under the laws of the United States; provided, that the amount to be
23 subtracted shall in any case be reduced by any interest on indebtedness incurred or continued to
24 purchase or carry obligations or securities the income of which is exempt from Rhode Island
25 personal income tax, to the extent the interest has been deducted in determining federal adjusted
26 gross income or taxable income;

27 (2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

28 (3) The amount of any withdrawal or distribution from the "tuition savings program"
29 referred to in § 16-57-6.1 which is included in federal adjusted gross income, other than a
30 withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified
31 withdrawal;

32 (4) Contributions made to an account under the tuition savings program, including the
33 "contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the
34 following limitations, restrictions and qualifications:

1 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
2 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
3 return;

4 (ii) The following shall not be considered contributions:

5 (A) Contributions made by any person to an account who is not a participant of the
6 account at the time the contribution is made;

7 (B) Transfers or rollovers to an account from any other tuition savings program account
8 or from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
9 U.S.C. § 529; or

10 (C) A change of the beneficiary of the account;

11 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
12 adjusted gross income to less than zero (0);

13 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
14 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
15 savings program for all preceding taxable years for which this subsection is effective over the
16 sum of:

17 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
18 such preceding taxable years; and

19 (B) That part of any remaining contribution carryover at the end of the taxable year
20 which exceeds the amount of any nonqualified withdrawals during the year and the prior two (2)
21 taxable years not included in the addition provided for in this subdivision for those years. Any
22 such part shall be disregarded in computing the contributions carryover for any subsequent
23 taxable year;

24 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
25 shall include a computation of the carryover with the taxpayer's Rhode Island personal income
26 tax return for that year, and if for any taxable year on which the carryover is based the taxpayer
27 filed a joint Rhode Island personal income tax return but filed a return on a basis other than
28 jointly for a subsequent taxable year, the computation shall reflect how the carryover is being
29 allocated between the prior joint filers; and

30 (5) The modification described in § 44-30-25.1(d)(1).

31 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
32 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36
33 or other coverage plan.

34 (7) Modification for organ transplantation. - (i) An individual may subtract up to ten

1 thousand dollars (\$10,000) from federal adjusted gross income if he or she, while living, donates
2 one or more of his or her human organs to another human being for human organ transplantation,
3 except that for purposes of this subsection, "human organ" means all or part of a liver, pancreas,
4 kidney, intestine, lung, or bone marrow. A subtract modification that is claimed hereunder may be
5 claimed in the taxable year in which the human organ transplantation occurs.

6 (ii) An individual may claim that subtract modification hereunder only once, and the
7 subtract modification may be claimed for only the following unreimbursed expenses that are
8 incurred by the claimant and related to the claimant's organ donation:

9 (A) Travel expenses.

10 (B) Lodging expenses.

11 (C) Lost wages.

12 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
13 nonresident of this state.

14 (8) Modification for taxable Social Security income.

15 (i) For tax years beginning on or after January 1, 2016:

16 (A) For a person who has attained the age used for calculating full or unreduced social
17 security retirement benefits who files a return as an unmarried individual, head of household or
18 married filing separate whose federal adjusted gross income for such taxable year is less than
19 eighty thousand dollars (\$80,000); or

20 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
21 attained the age used for calculating full or unreduced social security retirement benefits whose
22 [joint](#) federal adjusted gross income for such taxable year is less than one hundred thousand
23 dollars (\$100,000), an amount equal to the social security benefits includable in federal adjusted
24 gross income.

25 (ii) Adjustment for inflation. - The dollar amount contained in subparagraphs 44-30-
26 12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

27 (A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-
28 12(c)(8)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

29 (B) The cost-of-living adjustment with a base year of 2000.

30 (iii) For the purposes of this section the cost-of-living adjustment for any calendar year is
31 the percentage (if any) by which the consumer price index for the preceding calendar year
32 exceeds the consumer price index for the base year. The consumer price index for any calendar
33 year is the average of the consumer price index as of the close of the twelve (12) month period
34 ending on August 31, of such calendar year.

1 (iv) For the purpose of this section the term "consumer price index" means the last
2 consumer price index for all urban consumers published by the department of labor. For the
3 purpose of this section the revision of the consumer price index which is most consistent with the
4 consumer price index for calendar year 1986 shall be used.

5 (v) If any increase determined under this section is not a multiple of fifty dollars
6 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
7 case of a married individual filing separate return, if any increase determined under this section is
8 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
9 multiple of twenty-five dollars (\$25.00).

10 (9) Modification for up to fifteen thousand dollars (\$15,000) of taxable retirement income
11 from certain pension plans or annuities.

12 (i) For tax years beginning on or after January 1, 2017 a modification shall be allowed for
13 up to fifteen thousand dollars (\$15,000) of taxable pension and/or annuity income that is included
14 in federal adjusted gross income for the taxable year:

15 (A) For a person who has attained the age used for calculating full or unreduced social
16 security retirement benefits who files a return as an unmarried individual, head of household or
17 married filing separate whose federal adjusted gross income for such taxable year is less than the
18 amount used for the modification contained in §44-30-12(c)(8)(i)(A) an amount not to exceed
19 \$15,000 of taxable pension and/or annuity income includable in federal adjusted gross income; or

20 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
21 has attained the age used for calculating full or unreduced social security retirement benefits
22 whose joint federal adjusted gross income for such taxable year is less than the amount used for
23 the modification contained in §44-30-12(c)(8)(i)(B) an amount not to exceed \$15,000 of taxable
24 pension and/or annuity income includable in federal adjusted gross income.

25 (ii) Adjustment for inflation. The dollar amount contained by reference in §§44-30-
26 12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) shall be increased annually for tax years beginning on or
27 after January 1, 2018 by an amount equal to:

28 (A) Such dollar amount contained by reference in §§44-30-12(c)(9)(i)(A) and 44-30-
29 12(c)(9)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by:

30 (B) The cost-of-living adjustment with a base year of 2000.

31 (iii) For the purposes of this section the cost-of-living adjustment for any calendar year is
32 the percentage (if any) by which the consumer price index for the preceding calendar year
33 exceeds the consumer price index for the base year. The consumer price index for any calendar
34 year is the average of the consumer price index as of the close of the twelve (12) month period

1 ending on August 31, of such calendar year.

2 (iv) For the purpose of this section the term "consumer price index" means the last
3 consumer price index for all urban consumers published by the department of labor. For the
4 purpose of this section the revision of the consumer price index which is most consistent with the
5 consumer price index for calendar year 1986 shall be used.

6 (v) If any increase determined under this section is not a multiple of fifty dollars
7 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
8 case of a married individual filing a separate return, if any increase determined under this section
9 is not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
10 multiple of twenty-five dollars (\$25.00).

11 (d) Modification for Rhode Island fiduciary adjustment. - There shall be added to or
12 subtracted from federal adjusted gross income (as the case may be) the taxpayer's share, as
13 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
14 30-17.

15 (e) Partners. - The amounts of modifications required to be made under this section by a
16 partner, which relate to items of income or deduction of a partnership, shall be determined under
17 § 44-30-15.

18 SECTION 17. Section 44-31.2-11 of the General Laws in Chapter 44-31.2 entitled
19 "Motion Picture Production Tax Credits" is hereby amended to read as follows:

20 **44-31.2-11. Sunset.** -- No credits shall be issued on or after July 1, ~~2019~~ 2021 unless the
21 production has received initial certification under subsection 44-31.2-6(a) prior to July 1, ~~2019~~
22 2021.

23 SECTION 18. Section 44-33.6-11 of the General Laws in Chapter 44-33.6 entitled
24 "Historic Preservation Tax Credits 2013" is hereby amended to read as follows:

25 **44-33.6-11. Sunset.** -- No credits shall be authorized to be reserved pursuant to this
26 chapter on or after June 30, ~~2016~~ 2017 or upon the exhaustion of the maximum aggregate credits,
27 whichever comes first.

28 SECTION 19. Section 42-17.1-9.1 of the General Laws in Chapter 42-17.1 entitled
29 "Department of Environmental Management" is hereby amended to read as follows:

30 **42-17.1-9.1. User fees at state beaches, parks, and recreation areas.** -- (a) The
31 department of environmental management in pursuance of its administrative duties and
32 responsibilities may charge a user fee for any state beach, or recreational area under its
33 jurisdiction, and fees for the use of its services or facilities.

34 (b) The fee may be on a daily or annual basis, or both, and may be based on vehicle

1 parking or other appropriate means. The fees may recognize the contribution of Rhode Island
2 taxpayers to support the facilities in relation to other users of the state's facilities. The fee
3 structure may acknowledge the need to provide for all people, regardless of circumstances.

4 (c) An additional fee for camping and other special uses may be charged where
5 appropriate. Rates so charged should be comparable to equivalent commercial facilities.

6 (d) All such fees shall be established after a public hearing.

7 (e) All daily fees from beach parking, which shall also include fees charged and
8 collected at Ninigret conservation area and Charlestown breachway, shall be shared with the
9 municipality in which the facility is located on the basis of ~~eighty-four percent (84%)~~ seventy-
10 three percent (73%) retained by the state and ~~sixteen percent (16%)~~ twenty-seven percent (27%)
11 remitted to the municipality; provided, further, from July 1, 2016 until October 1, 2016 the beach
12 fees charged and collected under this subsection shall be equal to those in effect on June 30,
13 2011. Further, purchasers of season passes between May 14, 2016 and June 30, 2016 shall be
14 eligible to receive a credit for the difference between the amount of the July 1, 2016 fee and the
15 amount originally paid. Said credits may be applied against the purchase of a season pass in 2017.

16 (f) Fifty percent (50%) of all user and concession fees received by the state shall be
17 deposited as general revenues. For the year beginning July 1, 1979, the proportion of user and
18 concession fees to be received by the state shall be sixty-five percent (65%); for the year
19 beginning July 1, 1980, eighty-five percent (85%); and for the year beginning July 1, 1981, and
20 all years thereafter, one hundred percent (100%). The general revenue monies appropriated are
21 hereby specifically dedicated to meeting the costs of development, renovation of, and acquisition
22 of state-owned recreation areas and for regular maintenance, repair and operation of state owned
23 recreation areas. Purchases of vehicles and equipment and repairs to facilities shall not exceed
24 four hundred thousand dollars (\$400,000) annually. Notwithstanding the provisions of § 37-1-1 or
25 any other provision of the general laws, the director of the department of environmental
26 management is hereby authorized to accept any grant, devise, bequest, donation, gift, or
27 assignment of money, bonds, or other valuable securities for deposit in the same manner as
28 provided above for user and concession fees retained by the state.

29 (g) No fee shall be charged to any school or other nonprofit organization provided that a
30 representative of the school or other organization gives written notice of the date and time of their
31 arrival to the facility.

32 SECTION 20. Sections 4, 5, 6, 10, 11, 12, and 13 shall take effect upon passage and shall
33 apply to tax years beginning on or after January 1, 2016. Sections 9, 15, and 16 shall take effect
34 as of January 1, 2017. The remainder of the article shall take effect as of July 1, 2016.

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ARTICLE 14 AS AMENDED

RELATING TO CAREGIVERS/COMPASSION CENTERS

SECTION 1. Sections 21-28.6-2, 21-28.6-3, 21-28.6-4, 21-28.6-5, 21-28.6-6, 21-28.6-9, 21-28.6-12, and 21-28.6-14 of the General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" are hereby amended to read as follows:

21-28.6-2. Legislative findings. -- The general assembly finds and declares that:

(1) Modern medical research has discovered beneficial uses for marijuana in treating or alleviating pain, nausea, and other symptoms associated with certain debilitating medical conditions, as found by the National Academy of Sciences' Institute of Medicine in March 1999.

(2) According to the U.S. Sentencing Commission and the Federal Bureau of Investigation, ninety-nine (99) out of every one hundred (100) marijuana arrests in the United States are made under state law, rather than under federal law. Consequently, changing state law will have the practical effect of protecting from arrest the vast majority of seriously ill people who have a medical need to use marijuana.

(3) Although federal law currently prohibits any use of marijuana, the laws of Alaska, California, Colorado, Hawaii, Maine, Montana, Nevada, Oregon, Vermont, and Washington permit the medical use and cultivation of marijuana. Rhode Island joins in this effort for the health and welfare of its citizens.

(4) States are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law. Therefore, compliance with this chapter does not put the state of Rhode Island in violation of federal law.

(5) State law should make a distinction between the medical and nonmedical use of marijuana. Hence, the purpose of this chapter is to protect patients with debilitating medical conditions, and their physicians and primary caregivers, from arrest and prosecution, criminal and other penalties, and property forfeiture if such patients engage in the medical use of marijuana.

(6) The general assembly enacts this chapter pursuant to its police power to enact legislation for the protection of the health of its citizens, as reserved to the state in the Tenth Amendment of the United States Constitution.

(7) It is in the state's interests of public safety, public welfare, and the integrity of the medical marijuana program to ensure that the possession and cultivation of marijuana for the sole

1 purpose of medical use for alleviating symptoms caused by debilitating medical conditions is
2 adequately regulated.

3 (8) The goal of the medical marijuana program is to create a system that is transparent,
4 safe, and responsive to the needs of patients. Consequently, the medical marijuana program
5 requires regulation and a comprehensive regulatory structure that allows for oversight over all
6 suppliers of medical marijuana while ensuring both safety and patient access.

7 **21-28.6-3. Definitions.** -- For the purposes of this chapter:

8 (1) "Authorized purchaser" means a natural person, who is at least twenty-one (21) years
9 old, and who is registered with the department of health for the purposes of assisting a qualifying
10 patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no
11 more than one patient, and is prohibited from consuming marijuana obtained for the use of the
12 qualifying patient. An authorized purchaser shall be registered with the department of health and
13 shall possess a valid registry identification card.

14 ~~(1)(2)~~ "Cardholder" means a ~~qualifying patient or a primary caregiver~~ person who has
15 been registered ~~or licensed~~ with the department ~~of health or the department of business regulation~~
16 pursuant to this chapter, ~~and has been issued~~ and possesses a valid registry identification card ~~or~~
17 license.

18 (3) "Commercial unit" means a building, office, suite, or room within a commercial or
19 industrial building for use by one business or person and is rented or owned by that business or
20 person.

21 ~~(2)(4)(i)~~ "Compassion center" means ~~(i)~~ a not-for-profit corporation, subject to the
22 provisions of chapter 6 of title 7, and registered under § 21-28.6-12, that acquires, possesses,
23 cultivates, manufactures, delivers, transfers, transports, supplies or dispenses marijuana, and/or
24 related supplies and educational materials, to patient cardholders and/or their registered caregiver
25 cardholder ~~or authorized purchaser, who have designated it as one of their primary caregivers.~~

26 (ii) "Compassion center cardholder" means a principal officer, board member, employee,
27 volunteer, or agent of a compassion center who has registered with the department of health or
28 the department of business regulation and has been issued and possesses a valid registry
29 identification card.

30 ~~(3)(5)~~ "Debilitating medical condition" means:

31 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired
32 immune deficiency syndrome, Hepatitis C, or the treatment of these conditions;

33 (ii) A chronic or debilitating disease or medical condition, or its treatment, that produces
34 one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain;

1 severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe
2 and persistent muscle spasms, including but not limited to, those characteristic of multiple
3 sclerosis or Crohn's disease; or agitation of Alzheimer's Disease; or

4 (iii) Any other medical condition or its treatment approved by the department of health,
5 as provided for in § 21-28.6-5.

6 (6) "Department of business regulation" means the Rhode Island department of business
7 regulation or its successor agency.

8 ~~(4)~~(7) "Department of health" means the Rhode Island department of health or its
9 successor agency.

10 (8) "Department of public safety" means the Rhode Island department of public safety or
11 its successor agency.

12 (9) "Dried useable marijuana" means the dried leaves and flowers of the marijuana plant
13 as defined by regulations promulgated by the department of health.

14 (10) "Dwelling unit" means the room or group of rooms within a dwelling used or
15 intended for use by one family or household, or by no more than three (3) unrelated individuals,
16 for living, sleeping, cooking and eating.

17 (11) "Equivalent amount" means the portion of usable marijuana, be it in extracted,
18 edible, concentrated or any other form, found to be equal to a portion of dried usable marijuana,
19 as defined by regulations promulgated by the department of health.

20 (12) "Licensed cultivator" means a person as identified in §43-3-6, who has been licensed
21 by the department of business regulation to cultivate marijuana pursuant to §21-28.6-16.

22 ~~(5)~~(13) "Marijuana" has the meaning given that term in § 21-28-1.02(26).

23 ~~(6)~~(14) "Mature marijuana plant" means a marijuana plant that has flowers or buds that
24 are readily observable by an unaided visual examination.

25 ~~(7)~~(15) "Medical use" means the acquisition, possession, cultivation, manufacture, use,
26 delivery, transfer, or transportation of marijuana or paraphernalia relating to the consumption of
27 marijuana to alleviate a patient cardholder's debilitating medical condition or symptoms
28 associated with the medical condition.

29 ~~(8)~~(16) "Practitioner" means a person who is licensed with authority to prescribe drugs
30 pursuant to chapter 37 of title 5 or a physician licensed with authority to prescribe drugs in
31 Massachusetts or Connecticut.

32 ~~(9)~~(17) "Primary caregiver" means ~~either~~ a natural person, who is at least twenty-one (21)
33 years old, ~~or a compassion center.~~ A ~~natural person~~ primary caregiver may assist no more than
34 five (5) qualifying patients with their medical use of marijuana.

1 ~~(10)~~(18) "Qualifying patient" means a person who has been diagnosed by a practitioner as
2 having a debilitating medical condition and is a resident of Rhode Island.

3 ~~(11)~~(19) "Registry identification card" means a document issued by the department of
4 health that identifies a person as a registered qualifying patient, a registered primary caregiver, or
5 authorized purchaser, or a document issued by the department of business regulation that
6 identifies a person as a registered principal officer, board member, employee, volunteer, or agent
7 of a compassion center.

8 ~~(12)~~(20) "Seedling" means a marijuana plant with no observable flowers or buds.

9 ~~(13)~~(21) "Unusable marijuana" means marijuana seeds, stalks, seedlings, and unusable
10 roots.

11 ~~(14)~~(22) "Usable marijuana" means the dried leaves and flowers of the marijuana plant,
12 and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the
13 plant.

14 (23) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant
15 before they have reached a dry useable state, as defined by regulations promulgated by the
16 departments of health and business regulation.

17 ~~(15)~~(24) "Written certification" means the qualifying patient's medical records, and a
18 statement signed by a practitioner, stating that in the practitioner's professional opinion, the
19 potential benefits of the medical use of marijuana would likely outweigh the health risks for the
20 qualifying patient. A written certification shall be made only in the course of a bona fide,
21 practitioner-patient relationship after the practitioner has completed a full assessment of the
22 qualifying patient's medical history. The written certification shall specify the qualifying patient's
23 debilitating medical condition or conditions.

24 **21-28.6-4. Protections for the medical use of marijuana.** -- (a) A qualifying patient
25 cardholder who has in his or her possession a registry identification card shall not be subject to
26 arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not
27 limited to, civil penalty or disciplinary action by a business or occupational or professional
28 licensing board or bureau, for the medical use of marijuana; provided, that the qualifying patient
29 cardholder possesses an amount of marijuana that does not exceed twelve (12) mature marijuana
30 plants which are accompanied by valid medical marijuana tags, two and one-half (2.5) ounces of
31 usable marijuana or its equivalent amount, and an amount of wet marijuana to be set by
32 regulations promulgated by the departments of health and business regulation. Said plants shall be
33 stored in an indoor facility.

34 **(b) An authorized purchaser who has in his or her possession a registry identification card**

1 shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or
2 privilege, including, but not limited to, civil penalty or disciplinary action by a business or
3 occupational or professional licensing board or bureau, for the possession of marijuana; provided
4 that the authorized purchaser possesses an amount of marijuana that does not exceed two and
5 one-half (2.5) ounces of usable marijuana or its equivalent amount and this marijuana was
6 purchased legally from a compassion center for the use of their designated qualifying patient.

7 ~~(b)~~(c) A qualifying patient cardholder, who has in his or her possession a registry
8 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
9 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
10 business or occupational or professional licensing board or bureau, for selling, giving, or
11 distributing on or before December 31, 2016 to a compassion center cardholder marijuana of the
12 type, and in an amount not to exceed, that set forth in subsection (a) above, that he or she has
13 cultivated or manufactured pursuant to this chapter, ~~to a compassion center cardholder.~~

14 ~~(e)~~(d) No school, employer, or landlord may refuse to enroll, employ, or lease to, or
15 otherwise penalize, a person solely for his or her status as a cardholder. Provided, however, due to
16 the safety and welfare concern for other tenants, the property, and the public, as a whole, a
17 landlord may have the discretion not to lease, or continue to lease, to a cardholder who cultivates
18 marijuana in the leased premises.

19 ~~(d)~~(e) A primary caregiver cardholder, who has in his or her possession, a registry
20 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
21 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
22 business or occupational or professional licensing board or bureau, for assisting a patient
23 cardholder, to whom he or she is connected through the ~~department's~~ department of health's
24 registration process, with the medical use of marijuana; provided, that the primary caregiver
25 cardholder possesses an amount of marijuana that does not exceed twelve (12) mature marijuana
26 plants which are accompanied by valid medical marijuana tags, and two and one-half (2.5) ounces
27 of usable marijuana or its equivalent amount and an amount of wet marijuana set in regulations
28 promulgated by the departments of health and business regulation for each qualified patient
29 cardholder to whom he or she is connected through the ~~department's~~ department of health's
30 registration process.

31 ~~(e)~~(f) A qualifying patient cardholder shall be allowed to possess a reasonable amount of
32 unusable marijuana, including up to twelve (12) seedlings which are accompanied by valid
33 medical marijuana tags. ~~, that shall not be counted toward the limits in this section~~ A primary
34 caregiver cardholder shall be allowed to possess a reasonable amount of unusable marijuana,

1 [including up to twenty-four \(24\) seedlings which are accompanied by valid medical marijuana](#)
2 [tags and an amount of wet marijuana set in regulations promulgated by the departments of health](#)
3 [and business regulation.](#)

4 ~~(g)~~ There shall exist a presumption that a cardholder is engaged in the medical use of
5 marijuana if the cardholder:

6 (1) Is in possession of a registry identification card; and

7 (2) Is in possession of an amount of marijuana that does not exceed the amount permitted
8 under this chapter. Such presumption may be rebutted by evidence that conduct related to
9 marijuana was not for the purpose of alleviating the qualifying patient's debilitating medical
10 condition or symptoms associated with the medical condition.

11 ~~(h)~~ A primary caregiver cardholder may receive reimbursement for costs associated
12 with assisting a [qualifying](#) patient cardholder's medical use of marijuana. Compensation shall not
13 constitute sale of controlled substances.

14 ~~(i)~~ A ~~natural person~~ primary caregiver cardholder, who has in his or her possession a
15 registry identification card, shall not be subject to arrest, prosecution, or penalty in any manner,
16 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action
17 by a business or occupational or professional licensing board or bureau, for selling, giving, or
18 distributing [on or before December 31, 2016 to a compassion center cardholder](#); marijuana of the
19 type, and in an amount not to exceed that, set forth in subsection (d) above, ~~to a compassion~~
20 ~~center cardholder~~ if:

21 (1) The ~~natural person~~ primary caregiver cardholder cultivated the marijuana pursuant to
22 this chapter, not to exceed the limits of paragraph ~~(e)~~ above; and

23 (2) Each [qualifying](#) patient cardholder the [primary](#) caregiver cardholder is connected with
24 through the ~~department's~~ [department of health's](#) registration process has been provided an
25 adequate amount of the marijuana to meet his or her medical needs, not to exceed the limits of
26 subsection (a) above.

27 ~~(j)~~ A practitioner shall not be subject to arrest, prosecution, or penalty in any manner,
28 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action
29 by the Rhode Island board of medical licensure and discipline, or by any other business or
30 occupational or professional licensing board or bureau solely for providing written certifications,
31 or for otherwise stating that, in the practitioner's professional opinion, the potential benefits of the
32 medical marijuana would likely outweigh the health risks for a patient.

33 ~~(k)~~ Any interest in, or right to, property that is possessed, owned, or used in connection
34 with the medical use of marijuana, or acts incidental to such use, shall not be forfeited.

1 ~~(l)~~ No person shall be subject to arrest or prosecution for constructive possession,
2 conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the
3 presence or vicinity of the medical use of marijuana as permitted under this chapter, or for
4 assisting a qualifying patient cardholder with using or administering marijuana.

5 ~~(m)~~ A practitioner, nurse, nurse practitioner, physician's assistant, or pharmacist shall
6 not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege,
7 including, but not limited to, civil penalty or disciplinary action by a business or occupational or
8 professional licensing board or bureau solely for discussing the benefits or health risks of medical
9 marijuana or its interaction with other substances with a patient.

10 ~~(n)~~ A qualifying patient or primary caregiver registry identification card, or its
11 equivalent, issued under the laws of another state, U.S. territory, or the District of Columbia, to
12 permit the medical use of marijuana by a patient with a debilitating medical condition, or to
13 permit a person to assist with the medical use of marijuana by a patient with a debilitating
14 medical condition, shall have the same force and effect as a registry identification card ~~issued by~~
15 ~~the department~~.

16 ~~(o)~~ Notwithstanding the provisions of ~~§ 21-28.6-4(d) or~~ § 21-28.6-4(e), no primary
17 caregiver cardholder, ~~other than a compassion center~~, shall possess an amount of marijuana in
18 excess of twenty-four (24) mature marijuana plants which are accompanied by valid medical
19 marijuana tags and five (5) ounces of usable marijuana or its equivalent and an amount of wet
20 marijuana set in regulations promulgated by the departments of health and business regulation for
21 patient cardholders to whom he or she is connected through the ~~department's~~ department of
22 health's registration process.

23 ~~(p)~~ A qualifying patient or primary caregiver cardholder may give marijuana to
24 another qualifying patient or primary caregiver cardholder to whom they are not connected by the
25 department's registration process, provided that no consideration is paid for the marijuana, and
26 that the recipient does not exceed the limits specified in § 21-28.6-4.

27 ~~(q)~~ Qualifying patient cardholders and primary caregiver cardholders electing to grow
28 marijuana shall only grow at one premises, and this premises shall be registered with the
29 department of health. Except for compassion centers, cooperative cultivations and licensed
30 cultivators, no more than twenty-four (24) mature marijuana plants which are accompanied by
31 valid medical marijuana tags shall be grown or otherwise located at any one dwelling unit or
32 commercial unit. The number of qualifying patients or primary caregivers residing, owning,
33 renting, growing or otherwise operating at a dwelling or commercial unit does not affect this
34 limit. The department of health shall promulgate regulations to enforce this provision.

1 ~~(r)~~ For the purposes of medical care, including organ transplants, a patient cardholder's
2 authorized use of marijuana shall be considered the equivalent of the authorized use of any other
3 medication used at the direction of a physician, and shall not constitute the use of an illicit
4 substance.

5 (s) Notwithstanding any other provisions of the general laws, the manufacture of
6 marijuana using a solvent extraction process that includes the use of a compressed, flammable gas
7 as a solvent by a patient cardholder or primary caregiver cardholder shall not be subject to the
8 protections of this chapter.

9 **21-28.6-5. Department to issue regulations** **Department of health to issue**
10 **regulations.** -- (a) Not later than ninety (90) days after the effective date of this chapter, the
11 department of health shall promulgate regulations governing the manner in which it shall consider
12 petitions from the public to add debilitating medical conditions to those included in this chapter.
13 In considering such petitions, the department of health shall include public notice of, and an
14 opportunity to comment in a public hearing, upon such petitions. The department of health shall,
15 after hearing, approve or deny such petitions within one hundred eighty (180) days of submission.
16 The approval or denial of such a petition shall be considered a final department of health action,
17 subject to judicial review. Jurisdiction and venue for judicial review are vested in the superior
18 court. The denial of a petition shall not disqualify qualifying patients with that condition, if they
19 have a debilitating medical condition as defined in subdivision ~~21-28.6-3(3)(7)~~ §21-28.6-3(3)(5).
20 The denial of a petition shall not prevent a person with the denied condition from raising an
21 affirmative defense.

22 (b) Not later than ninety (90) days after the effective date of this chapter, the department
23 of health shall promulgate regulations governing the manner in which it shall consider
24 applications for and renewals of registry identification cards for qualifying patients, ~~and~~ primary
25 caregivers, and authorized purchasers. The department of health's regulations shall establish
26 application and renewal fees that generate revenues sufficient to offset all expenses of
27 implementing and administering this chapter. The department of health may vary the application
28 and renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's
29 income. The department of health may accept donations from private sources in order to reduce
30 the application and renewal fees.

31 **21-28.6-6. Administration of department of health regulations.** -- (a) The department
32 of health shall issue registry identification cards to qualifying patients who submit the following,
33 in accordance with the department's regulations:

34 (1) Written certification as defined in § 21-28.6-3~~(15)~~(24) of this chapter;

1 (2) Application or renewal fee;
2 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if
3 the patient is homeless, no address is required;

4 (4) Name, address, and telephone number of the qualifying patient's practitioner; ~~and~~
5 (5) Whether the patient elects grow medical marijuana plants for himself or herself; and
6 ~~(5)(6)~~ (6) Name, address, and date of birth of ~~each~~ one primary caregiver of the qualifying
7 patient and one authorized purchaser for the qualifying patient, if any.

8 (b) The department of health shall not issue a registry identification card to a qualifying
9 patient under the age of eighteen (18) unless:

10 (1) The qualifying patient's practitioner has explained the potential risks and benefits of
11 the medical use of marijuana to the qualifying patient and to a parent, guardian, or person having
12 legal custody of the qualifying patient; and

13 (2) A parent, guardian, or person having legal custody consents in writing to:

14 (i) Allow the qualifying patient's medical use of marijuana;

15 (ii) Serve as ~~one~~ of the qualifying patient's primary caregivers or authorized purchaser;
16 and

17 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the
18 medical use of marijuana by the qualifying patient.

19 (c) The department of health shall verify the information contained in an application or
20 renewal submitted pursuant to this section, and shall approve or deny an application or renewal
21 within ~~fifteen (15)~~ thirty-five (35) days of receiving it. The department may deny an application
22 or renewal only if the applicant did not provide the information required pursuant to this section,
23 or if the department determines that the information provided was falsified. Rejection of an
24 application or renewal is considered a final department action, subject to judicial review.
25 Jurisdiction and venue for judicial review are vested in the superior court.

26 (d) If the qualifying patient's practitioner notifies the department in a written statement
27 that the qualifying patient is eligible for hospice care or chemotherapy, the department of health
28 shall give priority to these applications when verifying the information in accordance with
29 subsection (c) of this section. Effective January 1, 2017, the department of health shall approve or
30 deny a registry identification card to these qualifying patients within five (5) days of receipt of an
31 application. The department of health may identify through regulation a list of other conditions
32 qualifying a patient for expedited application processing.

33 ~~(d)(e)~~ (e) The department of health shall issue a registry identification card to ~~each~~ the
34 qualifying patient cardholder's primary caregiver, if any, who is named in ~~a~~ the qualifying

1 patient's approved application, ~~up to a maximum of two (2) primary caregivers per qualifying~~
2 ~~patient.~~

3 (1) ~~The~~ A primary caregiver applicant or an authorized purchaser applicant shall apply to
4 the bureau of criminal identification of the department of attorney general, department of public
5 safety division of state police, or local police department for a national criminal records check
6 that shall include fingerprints submitted to the Federal Bureau of Investigation. Upon the
7 discovery of any disqualifying information as defined in ~~§ 21-28.6-6(d)(4)~~ §21-28.6-6(e)(4), and
8 in accordance with the rules promulgated by the director, the bureau of criminal identification of
9 the department of attorney general, department of public safety division of 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, 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, department of public safety
15 division of state police, or the local police shall inform the applicant and the department, in
16 writing, of this fact.

17 (3) The department of health shall maintain on file evidence that a criminal records check
18 has been initiated on all applicants seeking a primary caregiver registry identification card or an
19 authorized purchaser registry identification card and the results of the checks. The primary
20 caregiver cardholder shall not be required to apply for a national criminal records check for each
21 patient he or she is connected to through the department's registration process, provided that he or
22 she has applied for a national criminal records check within the previous two (2) years in
23 accordance with this chapter. The department shall not require a primary caregiver cardholder or
24 an authorized purchaser cardholder to apply for a national criminal records check more than once
25 every two (2) years.

26 (4) Information produced by a national criminal records check pertaining to a conviction
27 for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act"),
28 murder, manslaughter, rape, first-degree sexual assault, second-degree sexual assault, first-degree
29 child molestation, second-degree child molestation, kidnapping, first-degree arson, second-degree
30 arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon,
31 assault or battery involving grave bodily injury, and/or assault with intent to commit any offense
32 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
33 applicant and the department of health disqualifying the applicant. If disqualifying information
34 has been found, the department may use its discretion to issue a primary caregiver registry

1 identification card or an authorized purchaser registry identification card if the applicant's
2 connected patient is an immediate family member and the card is restricted to that patient only.

3 (5) The primary caregiver or authorized purchaser applicant shall be responsible for any
4 expense associated with the national criminal records check.

5 (6) For purposes of this section "conviction" means, in addition to judgments of
6 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
7 where the defendant has entered a plea of nolo contendere and has received a sentence of
8 probation and those instances where a defendant has entered into a deferred sentence agreement
9 with the attorney general.

10 ~~(e)(f)(i)~~ On or before December 31, 2016, the ~~The~~ department of health shall issue
11 registry identification cards ~~within five (5) business~~ days of approving an application or renewal
12 that shall expire two (2) years after the date of issuance.

13 (i) Effective January 1, 2017 and thereafter, the department of health shall issue registry
14 identification cards within five (5) business days of approving an application or renewal that shall
15 expire one year after the date of issuance.

16 (iii) Registry identification cards shall contain:

- 17 (1) The date of issuance and expiration date of the registry identification card;
- 18 (2) A random registry identification number;
- 19 (3) A photograph; and
- 20 (4) Any additional information as required by regulation or the department of health.

21 ~~(f)(e)~~ Persons issued registry identification cards by the department of health shall be
22 subject to the following:

23 (1) A qualifying patient cardholder shall notify the department of health of any change in
24 ~~the patient cardholder's his or her~~ name, address, ~~or~~ primary caregiver, or authorized purchaser; or
25 if he or she ceases to have his or her debilitating medical condition, within ten (10) days of such
26 change.

27 (2) A qualifying patient cardholder who fails to notify the department of health of any of
28 these changes is responsible for a civil infraction, punishable by a fine of no more than one
29 hundred fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating
30 medical condition, the card shall be deemed null and void and the person shall be liable for any
31 other penalties that may apply to the person's nonmedical use of marijuana.

32 (3) A primary caregiver cardholder or authorized purchaser ~~compassion center cardholder~~
33 shall notify the department of health of any change in his or her name or address within ten (10)
34 days of such change. A primary caregiver cardholder or authorized purchaser ~~compassion center~~

1 ~~cardholder~~ who fails to notify the department of any of these changes is responsible for a civil
2 infraction, punishable by a fine of no more than one hundred fifty dollars (\$150).

3 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
4 department of health of any changes listed in this subsection, the department of health shall issue
5 the qualifying patient cardholder and each primary caregiver cardholder—a new registry
6 identification card within ten (10) days of receiving the updated information and a ten-dollar
7 (\$10.00) fee. ~~When a compassion center cardholder notifies the department of any changes listed~~
8 ~~in this subsection, the department shall issue the cardholder a new registry identification card~~
9 ~~within ten (10) days of receiving the updated information and a ten-dollar (\$10.00) fee.~~

10 (5) When a qualifying patient cardholder changes his or her primary caregiver or
11 authorized purchaser, the department of health shall notify the primary caregiver cardholder or
12 authorized purchaser within ten (10) days. The primary caregiver's protections as provided in this
13 chapter shall expire ten (10) days after notification. If the primary caregiver cardholder or
14 authorized purchaser is connected to no other qualifying patient cardholders in the program, he or
15 she must return his or her registry identification card to the department.

16 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he
17 or she shall notify the department and submit a ten dollar (\$10.00) fee within ten (10) days of
18 losing the card. Within five (5) days, the department shall issue a new registry identification card
19 with new random identification number.

20 (7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her
21 registration with regard to the growing of medical marijuana for himself or herself, he or she shall
22 notify the department prior to the purchase of medical marijuana tags or the growing of medical
23 marijuana plants.

24 ~~(7)~~(8) If a cardholder or authorized purchaser willfully violates any provision of this
25 chapter as determined by the department, his or her registry identification card may be revoked.

26 ~~(g)~~(h) Possession of, or application for, a registry identification card shall not constitute
27 probable cause or reasonable suspicion, nor shall it be used to support the search of the person or
28 property of the person possessing or applying for the registry identification card, or otherwise
29 subject the person or property of the person to inspection by any governmental agency.

30 ~~(h)~~(i)(1) Applications and supporting information submitted by qualifying patients,
31 including information regarding their primary caregivers, authorized purchaser and practitioners,
32 are confidential and protected under the federal Health Insurance Portability and Accountability
33 Act of 1996, and shall be exempt from the provisions of chapter 2 of title 38 et seq. (Rhode Island
34 access to public records act) and not subject to disclosure, except to authorized employees of the

1 department [of health](#) as necessary to perform official duties of the department, and pursuant to
2 subsection ~~(j)~~(j) of this section.

3 (2) The application for qualifying patient's registry identification card shall include a
4 question asking whether the patient would like the department [of health](#) to notify him or her of
5 any clinical studies about marijuana's risk or efficacy. The department [of health](#) shall inform
6 those patients who answer in the affirmative of any such studies it is notified of, that will be
7 conducted in Rhode Island. The department [of health](#) may also notify those patients of medical
8 studies conducted outside of Rhode Island.

9 (3) The department [of health](#) shall maintain a confidential list of the persons to whom the
10 department [of health](#) has issued registry identification cards. Individual names and other
11 identifying information on the list shall be confidential, exempt from the provisions of Rhode
12 Island access to public information, chapter 2 of title 38, and not subject to disclosure, except to
13 authorized employees of the department [of health](#) as necessary to perform official duties of the
14 department.

15 ~~(j)~~(j) Notwithstanding subsection ~~(i)~~ (i) of this section, the department [of health](#) shall
16 verify to law enforcement personnel whether a registry identification card is valid solely by
17 confirming the random registry identification number or name. [This verification may occur](#)
18 [through the use of shared database, provided that any confidential information in this database is](#)
19 [protected in accordance with §21-28.6-6\(i\)\(1\)](#)

20 ~~(k)~~(k) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a
21 one thousand dollar (\$1,000) fine, for any person, including an employee or official of the
22 ~~department~~ [departments of health, business regulation, public safety,](#) or another state agency or
23 local government, to breach the confidentiality of information obtained pursuant to this chapter.
24 Notwithstanding this provision, the department employees may notify law enforcement about
25 falsified or fraudulent information submitted to the department.

26 ~~(l)~~(l) On or before ~~January 1~~ [the fifteenth day of the month following the end](#) of each
27 [quarter of the fiscal](#) ~~odd-numbered~~ year, the department [of health](#) shall report to the ~~house~~
28 ~~committee on health, education and welfare and to the senate committee on health and human~~
29 ~~services~~ [governor, the speaker of the house of representatives, and the president of the senate](#) on
30 [applications for](#) the use of marijuana for symptom relief. The report shall provide:

31 (1) The number of applications for ~~registry identification cards~~ [registration as a](#)
32 [qualifying patient, primary caregiver, or authorized purchaser that have been made to the](#)
33 [department during the preceding quarter,](#) the number of qualifying patients, ~~and~~ primary
34 caregivers, [and authorized purchasers](#) approved, the nature of the debilitating medical conditions

1 of the qualifying patients, the number of ~~registry identification cards~~ registrations revoked, and
2 the number and specializations, if any, of practitioners providing written certification for
3 qualifying patients;

4 (m) On or before September 30 of each year, the department of health shall report to the
5 governor, the speaker of the house of representatives, and the president of the senate on the use of
6 marijuana for symptom relief. The report shall provide:

7 (1) The total number of applications for registration as a qualifying patient, primary
8 caregiver, or authorized purchaser that have been made to the department, the number of
9 qualifying patients, primary caregivers, and authorized purchasers approved, the nature of the
10 debilitating medical conditions of the qualifying patients, the number of registrations revoked,
11 and the number and specializations, if any, of practitioners providing written certification for
12 qualifying patients;

13 (2) The number of active qualifying patient, primary caregiver, and authorized purchaser
14 registrations as of June 30 of the preceding fiscal year;

15 ~~(3)~~ (3) An evaluation of the costs permitting the use of marijuana for symptom relief,
16 including any costs to law enforcement agencies and costs of any litigation;

17 ~~(4)~~ (4) Statistics regarding the number of marijuana-related prosecutions against
18 registered patients and caregivers, and an analysis of the facts underlying those prosecutions;

19 ~~(5)~~ (5) Statistics regarding the number of prosecutions against physicians for violations of
20 this chapter; and

21 ~~(6)~~ (6) Whether the United States Food and Drug Administration has altered its position
22 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
23 for marijuana.

24 **21-28.6-9. Enforcement.** -- (a) If the department of health fails to adopt regulations to
25 implement this chapter within one hundred twenty (120) days of the effective date of this act, a
26 qualifying patient may commence an action in a court of competent jurisdiction to compel the
27 department to perform the actions mandated pursuant to the provisions of this chapter.

28 (b) If the department of health or the department of business regulation fails to issue a
29 valid registry identification card in response to a valid application submitted pursuant to this
30 chapter within thirty-five (35) days of its submission, the registry identification card shall be
31 deemed granted and a copy of the registry identification application shall be deemed a valid
32 registry identification card.

33 (c) The department of health and the department of business regulation shall revoke and
34 shall not reissue the registry identification card or license of any cardholder or licensee who is

1 convicted of; placed on probation; whose case is filed pursuant to § 12-10-12 where the defendant
2 pleads nolo contendere; or whose case is deferred pursuant to § 12-19-19 where the defendant
3 pleads nolo contendere for any felony offense under chapter 28 of title 21 ("Rhode Island
4 Controlled Substances Act") or a similar offense from any other jurisdiction.

5 (d) If a cardholder exceeds the possession limits set forth in §§ 21-28.6-4 or 21-28.6-14,
6 he or she shall be subject to arrest and prosecution under chapter 28 of title 21 ("Rhode Island
7 Controlled Substances Act").

8 **21-28.6-12. Compassion centers.** -- (a) A compassion center registered under this
9 section may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or
10 dispense marijuana, or related supplies and educational materials, to registered qualifying patients
11 and their registered primary caregivers or authorized purchasers ~~who have designated it as one of~~
12 ~~their primary caregivers. A compassion center is a primary caregiver.~~ Except as specifically
13 provided to the contrary, all provisions of the Edward O. Hawkins and Thomas C. Slater Medical
14 Marijuana Act, §§ 21-28.6-1 – 21-28.6-11, apply to a compassion center unless they conflict with
15 a provision contained in § 21-28.6-12.

16 (b) Registration of compassion centers ~~authority of the departments of health and~~
17 business regulation ~~authority:~~

18 (1) Not later than ninety (90) days after the effective date of this chapter, the department
19 of health shall promulgate regulations governing the manner in which it shall consider
20 applications for registration certificates for compassion centers, including regulations governing:

21 (i) The form and content of registration and renewal applications;

22 (ii) Minimum oversight requirements for compassion centers;

23 (iii) Minimum record-keeping requirements for compassion centers;

24 (iv) Minimum security requirements for compassion centers; and

25 (v) Procedures for suspending, revoking or terminating the registration of compassion
26 centers that violate the provisions of this section or the regulations promulgated pursuant to this
27 subsection.

28 (2) Within ninety (90) days of the effective date of this chapter, the department of health
29 shall begin accepting applications for the operation of a single compassion center.

30 (3) Within one hundred fifty (150) days of the effective date of this chapter, the
31 department of health shall provide for at least one public hearing on the granting of an application
32 to a single compassion center.

33 (4) Within one hundred ninety (190) days of the effective date of this chapter, the
34 department of health shall grant a single registration certificate to a single compassion center,

1 providing at least one applicant has applied who meets the requirements of this chapter.

2 (5) If at any time after fifteen (15) months after the effective date of this chapter, there is
3 no operational compassion center in Rhode Island, the department [of health](#) shall accept
4 applications, provide for input from the public, and issue a registration certificate for a
5 compassion center if a qualified applicant exists.

6 (6) Within two (2) years of the effective date of this chapter, the department [of health](#)
7 shall begin accepting applications to provide registration certificates for two (2) additional
8 compassion centers. The department shall solicit input from the public, and issue registration
9 certificates if qualified applicants exist.

10 (7)(i) Any time a compassion center registration certificate is revoked, is relinquished, or
11 expires [on or before December 31, 2016](#), the department [of health](#) shall accept applications for a
12 new compassion center.

13 [\(ii\) Any time a compassion center registration certificate is revoked, is relinquished, or](#)
14 [expires on or after January 1, 2017, the department of business regulation shall accept](#)
15 [applications for a new compassion center.](#)

16 (8) If at any time after three (3) years after the effective date of this chapter and [on or](#)
17 [before December 31, 2016](#), fewer than three (3) compassion centers are holding valid registration
18 certificates in Rhode Island, the department [of health](#) shall accept applications for a new
19 compassion center. [If at any time on or after January 1, 2017, fewer than three \(3\) compassion](#)
20 [centers are holding valid registration certificates in Rhode Island, the department of business](#)
21 [regulation shall accept applications for a new compassion center.](#) No more than three (3)
22 compassion centers may hold valid registration certificates at one time.

23 (9) Any compassion center application selected for approval by the department [of health](#)
24 ~~prior to January 1, 2012,~~ [on or before December 31, 2016 or selected for approval by the](#)
25 [department of business regulation on or after January 1, 2017](#), shall remain in full force and
26 effect, notwithstanding any provisions of this chapter to the contrary, and shall be subject to state
27 law adopted herein and rules and regulations adopted by the ~~department~~ [departments of health](#)
28 [and business regulation](#) subsequent to passage of this legislation-

29 (c) Compassion center and agent applications and registration:

30 (1) Each application for a compassion center shall include:

31 (i) A non-refundable application fee paid to the department in the amount of two hundred
32 fifty dollars (\$250);

33 (ii) The proposed legal name and proposed articles of incorporation of the compassion
34 center;

1 (iii) The proposed physical address of the compassion center, if a precise address has
2 been determined, or, if not, the general location where it would be located. This may include a
3 second location for the cultivation of medical marijuana;

4 (iv) A description of the enclosed, locked facility that would be used in the cultivation of
5 marijuana;

6 (v) The name, address, and date of birth of each principal officer and board member of
7 the compassion center;

8 (vi) Proposed security and safety measures which shall include at least one security alarm
9 system for each location, planned measures to deter and prevent the unauthorized entrance into
10 areas containing marijuana and the theft of marijuana, as well as a draft employee instruction
11 manual including security policies, safety and security procedures, personal safety and crime
12 prevention techniques; and

13 (vii) Proposed procedures to ensure accurate record keeping;

14 (2)(i) For applications submitted on or before December 31, 2016, any ~~Any~~ time one or
15 more compassion center registration applications are being considered, the department of health
16 shall also allow for comment by the public and shall solicit input from registered qualifying
17 patients, registered primary caregivers; and the towns or cities where the applicants would be
18 located.

19 (ii) For applications submitted on or after January 1, 2017, any time one or more
20 compassion center registration applications are being considered, the department of business
21 regulation shall also allow for comment by the public and shall solicit input from registered
22 qualifying patients, registered primary caregivers; and the towns or cities where the applicants
23 would be located.

24 (3) Each time a compassion center certificate is granted, the decision shall be based upon
25 the overall health needs of qualified patients and the safety of the public, including, but not
26 limited to, the following factors:

27 (i) Convenience to patients from throughout the state of Rhode Island to the compassion
28 centers if the applicant were approved;

29 (ii) The ~~applicants'~~ applicant's ability to provide a steady supply to the registered
30 qualifying patients in the state;

31 (iii) The ~~applicants'~~ applicant's experience running a non-profit or business;

32 (iv) The interests of qualifying patients regarding which applicant be granted a
33 registration certificate;

34 (v) The interests of the city or town where the dispensary would be located;

1 (vi) The sufficiency of the applicant's plans for record keeping and security, which
2 records shall be considered confidential health care information under Rhode Island law and are
3 intended to be deemed protected health care information for purposes of the Federal Health
4 Insurance Portability and Accountability Act of 1996, as amended; and

5 (vii) The sufficiency of the applicant's plans for safety and security, including proposed
6 location, security devices employed, and staffing;

7 (4) ~~After a compassion center is approved, A~~ compassion center approved by the
8 department of health on or before December 31, 2016, ~~but before it begins operations, it~~ shall
9 submit the following to the department before it may begin operations:

10 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

11 (ii) The legal name and articles of incorporation of the compassion center;

12 (iii) The physical address of the compassion center; this may include a second address for
13 the secure cultivation of marijuana;

14 (iv) The name, address, and date of birth of each principal officer and board member of
15 the compassion center;

16 (v) The name, address, and date of birth of any person who will be an agent of, employee
17 or volunteer of the compassion center at its inception.

18 (5) A compassion center approved by the department of business regulation on or after
19 January 1, 2017 shall submit the following to the department before it may begin operations:

20 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

21 (ii) The legal name and articles of incorporation of the compassion center;

22 (iii) The physical address of the compassion center; this may include a second address for
23 the secure cultivation of marijuana;

24 (iv) The name, address, and date of birth of each principal officer and board member of
25 the compassion center;

26 (v) The name, address, and date of birth of any person who will be an agent of, employee
27 or volunteer of the compassion center at its inception;

28 ~~(5) The department shall track the number of registered qualifying patients who designate~~
29 ~~each compassion center as a primary caregiver, and issue a written statement to the compassion~~
30 ~~center of the number of qualifying patients who have designated the compassion center to serve~~
31 ~~as a primary caregiver for them. This statement shall be updated each time a new registered~~
32 ~~qualifying patient designates the compassion center or ceases to designate the compassion center~~
33 ~~and may be transmitted electronically if the department's regulations so provide. The department~~
34 ~~may provide by regulation that the updated written statements will not be issued more frequently~~

1 ~~than twice each week;~~

2 (6) Except as provided in subdivision (7), the department of health or the department of
3 business regulation shall issue each principal officer, board member, agent, volunteer and
4 employee of a compassion center a registry identification card or renewal card ~~within ten (10)~~
5 ~~days of~~ after receipt of the person's name, address, date of birth; a fee in an amount established by
6 the department of health or the department business regulation; and notification to the department
7 of health or the department of business regulation by the department of public safety division of
8 state police that the registry identification card applicant has not been convicted of a felony drug
9 offense or has not entered a plea of nolo contendere for a felony drug offense and received a
10 sentence of probation. Each card shall specify that the cardholder is a principal officer, board
11 member, agent, volunteer, or employee of a compassion center and shall contain the following:

12 (i) The name, address, and date of birth of the principal officer, board member, agent,
13 volunteer or employee;

14 (ii) The legal name of the compassion center to which the principal officer, board
15 member, agent, volunteer or employee is affiliated;

16 (iii) A random identification number that is unique to the cardholder;

17 (iv) The date of issuance and expiration date of the registry identification card; and

18 (v) A photograph, if the department of health or the department of business regulation
19 decides to require one;

20 (7) Except as provided in this subsection, neither the department of health nor the
21 department of business regulation shall ~~not~~ issue a registry identification card to any principal
22 officer, board member, agent, volunteer, or employee of a compassion center who has been
23 convicted of a felony drug offense or has entered a plea of nolo contendere for a felony drug
24 offense and received a sentence of probation. ~~The department shall notify the compassion center~~
25 If a registry identification card is denied, the compassion center will be notified in writing of the
26 purpose for denying the registry identification card. ~~The department may grant such person a~~ A
27 registry identification card may be granted if ~~the department determines that~~ the offense was for
28 conduct that occurred prior to the enactment of the Edward O. Hawkins and Thomas C. Slater
29 Medical Marijuana Act or that was prosecuted by an authority other than the state of Rhode
30 Island and for which the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act
31 would otherwise have prevented a conviction;

32 (i) All registry identification card applicants shall apply to the department of public
33 safety division of state police for a national criminal identification records check that shall
34 include fingerprints submitted to the federal bureau of investigation. Upon the discovery of a

1 felony drug offense conviction or a plea of nolo contendere for a felony drug offense with a
2 sentence of probation, and in accordance with the rules promulgated by the ~~director~~ department of
3 health and the department of business regulation, the department of public safety division of state
4 police shall inform the applicant, in writing, of the nature of the felony and the department of
5 public safety division of state police shall notify the department of health or the department of
6 business regulation, in writing, without disclosing the nature of the felony, that a felony drug
7 offense conviction or a plea of nolo contendere for a felony drug offense with probation has been
8 found.

9 (ii) In those situations in which no felony drug offense conviction or plea of nolo
10 contendere for a felony drug offense with probation has been found, the department of public
11 safety division of state police shall inform the applicant and the department of health or the
12 department of business regulation, in writing, of this fact.

13 (iii) All registry identification card applicants shall be responsible for any expense
14 associated with the criminal background check with fingerprints.

15 (8) A registry identification card of a principal officer, board member, agent, volunteer,
16 or employee shall expire one year after its issuance, or upon the expiration of the registered
17 organization's registration certificate, or upon the termination of the principal officer, board
18 member, agent, volunteer or employee's relationship with the compassion center, whichever
19 occurs first.

20 (9) A compassion center cardholder shall notify and request approval from the
21 department of business regulation of any change in his or her name or address within ten (10)
22 days of such change. A compassion center cardholder who fails to notify the department of
23 business regulation of any of these changes is responsible for a civil infraction, punishable by a
24 fine of no more than one hundred fifty dollars (\$150).

25 (10) When a compassion center cardholder notifies the department of health or the
26 department of business regulation of any changes listed in this subsection, the department shall
27 issue the cardholder a new registry identification card within ten (10) days of receiving the
28 updated information and a ten-dollar (\$10.00) fee.

29 (11) If a compassion center cardholder loses his or her registry identification card, he or
30 she shall notify the department of health or the department of business regulation and submit a ten
31 dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the department
32 shall issue a new registry identification card with new random identification number.

33 (12) On or before December 31, 2016, a compassion center cardholder shall notify the
34 department of health of any disqualifying criminal convictions as defined in §21-28.6-12(c)(7).

1 The department of health may choose to suspend and/or revoke his or her registry identification
2 card after such notification.

3 (13) On or after January 1, 2017, a compassion center cardholder shall notify the
4 department of business regulation of any disqualifying criminal convictions as defined in §21-
5 28.6-12(c)(7). The department of business regulation may choose to suspend and/or revoke his or
6 her registry identification card after such notification.

7 (14) If a compassion center cardholder violates any provision of this chapter or
8 regulations promulgated hereunder as determined by the departments of health and business
9 regulation, his or her registry identification card may be suspended and/or revoked.

10 (d) Expiration or termination of compassion center:

11 (1) On or before December 31, 2016, A a compassion center's registration shall expire
12 two (2) years after its registration certificate is issued. On or after January 1, 2017, a compassion
13 center's registration shall expire one year after its registration certificate is issued. The
14 compassion center may submit a renewal application beginning sixty (60) days prior to the
15 expiration of its registration certificate;

16 (2) The department of health or the department of business regulation shall grant a
17 compassion center's renewal application within thirty (30) days of its submission if the following
18 conditions are all satisfied:

19 (i) The compassion center submits the materials required under subdivisions (c)(4) and
20 (c)(5), including a five thousand dollar (\$5,000) fee;

21 (ii) The compassion center's registration has never been suspended for violations of this
22 chapter or regulations issued pursuant to this chapter; and

23 (iii) The ~~legislative oversight committee's report, if issued pursuant to subsection (4)(j),~~
24 department of health and the department of business regulation find indicates that the compassion
25 center is adequately providing patients with access to medical marijuana at reasonable rates; ~~and~~

26 ~~(iv) The legislative oversight committee's report, if issued pursuant to subsection (4)(j),~~
27 ~~does not raise serious concerns about the continued operation of the compassion center applying~~
28 ~~for renewal.~~

29 (3) If the department of health or the department of business regulation determines that
30 any of the conditions listed in paragraphs (d)(2)(i) – ~~(iv)~~ (iii) have not been met, the department
31 shall begin an open application process for the operation of a compassion center. In granting a
32 new registration certificate, the department of health or the department of business regulation
33 shall consider factors listed in subdivision (c)(3) of this section;

34 (4) The department of health or the department of business regulation shall issue a

1 compassion center one or more thirty (30) day temporary registration certificates after that
2 compassion center's registration would otherwise expire if the following conditions are all
3 satisfied:

4 (i) The compassion center previously applied for a renewal, but the department had not
5 yet come to a decision;

6 (ii) The compassion center requested a temporary registration certificate; and

7 (iii) The compassion center has not had its registration certificate revoked due to
8 violations of this chapter or regulations issued pursuant to this chapter.

9 (5) A compassion center's registry identification card shall be subject to revocation if the
10 compassion center:

11 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;

12 (ii) Is in violation of the laws of this state;

13 (iii) Is in violation of other departmental regulations; or

14 (iv) Employs or enters into a business relationship with a medical practitioner who
15 provides written certification of a qualifying patient's medical condition.

16 (e) *Inspection.* Compassion centers are subject to reasonable inspection by the department
17 of health, division of facilities regulation [and the department of business regulation](#). During an
18 inspection, the departments may review the compassion center's confidential records, including
19 its dispensing records, which shall track transactions according to qualifying patients' registry
20 identification numbers to protect their confidentiality.

21 (f) Compassion center requirements:

22 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
23 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
24 Internal Revenue Services;

25 (2) A compassion center may not be located within one thousand feet (1000') of the
26 property line of a preexisting public or private school;

27 (3) [On or before December 31, 2016, ~~A~~ a](#) compassion center shall notify the department
28 [of health](#) within ten (10) days of when a principal officer, board member, agent, volunteer or
29 employee ceases to work at the compassion center. [On or after January 1, 2017, a compassion](#)
30 [center shall notify the department of business regulation within ten \(10\) days of when a principal](#)
31 [officer, board member, agent, volunteer or employee ceases to work at the compassion center.](#) His
32 or her card shall be deemed null and void and the person shall be liable for any penalties that may
33 apply to any nonmedical possession or use of marijuana by the person;

34 (4) (i) [On or before December 31, 2016, ~~A~~ a](#) compassion center shall notify the

1 department of health in writing of the name, address, and date of birth of any new principal
2 officer, board member, agent, volunteer or employee and shall submit a fee in an amount
3 established by the department for a new registry identification card before that person begins his
4 or her relationship with the compassion center;

5 (ii) On or after January 1, 2017, a compassion center shall notify the department of
6 business regulation in writing of the name, address, and date of birth of any new principal officer,
7 board member, agent, volunteer or employee and shall submit a fee in an amount established by
8 the department for a new registry identification card before that person begins his or her
9 relationship with the compassion center;

10 (5) A compassion center shall implement appropriate security measures to deter and
11 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
12 shall insure that each location has an operational security alarm system. Each compassion center
13 shall request that the ~~Rhode Island~~ department of public safety division of state police visit the
14 compassion center to inspect the security of the facility and make any recommendations
15 regarding the security of the facility and its personnel within ten (10) days prior to the initial
16 opening of each compassion center. Said recommendations shall not be binding upon any
17 compassion center, nor shall the lack of implementation of said recommendations delay or
18 prevent the opening or operation of any center. If the ~~Rhode Island~~ department of public safety
19 division of state police ~~de~~ does not inspect the compassion center within the ten (10) day period
20 there shall be no delay in the compassion center's opening.

21 (6) The operating documents of a compassion center shall include procedures for the
22 oversight of the compassion center and procedures to ensure accurate record keeping;

23 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
24 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
25 purpose except to assist registered qualifying patients with the medical use of marijuana directly
26 or through the qualifying patient's ~~other~~ primary caregiver or authorized purchaser;

27 (8) All principal officers and board members of a compassion center must be residents of
28 the state of Rhode Island;

29 (9) Each time a new registered qualifying patient visits a compassion center, it shall
30 provide the patient with frequently asked questions sheet designed by the department, which
31 explains the limitations on the right to use medical marijuana under state law;

32 (10) Effective July 1, 2016, each compassion center shall be subject to any regulations
33 promulgated by the department of health that specify how usable marijuana must be tested for
34 items included but not limited to cannabinoid profile and contaminants;

1 [\(11\) Effective January 1, 2017, each compassion center shall be subject to any product](#)
2 [labeling requirements promulgated by the department of business regulation;](#)

3 ~~(10)~~(12) Each compassion center shall develop, implement, and maintain on the premises
4 employee, volunteer and agent policies and procedures to address the following requirements:

5 (i) A job description or employment contract developed for all employees and agents and
6 a volunteer agreement for all volunteers, which includes duties, authority, responsibilities,
7 qualifications, and supervision; and

8 (ii) Training in and adherence to state confidentiality laws.

9 ~~(11)~~(13) Each compassion center shall maintain a personnel record for each employee,
10 agent and volunteer that includes an application and a record of any disciplinary action taken;

11 ~~(12)~~(14) Each compassion center shall develop, implement, and maintain on the premises
12 an on-site training curriculum, or enter into contractual relationships with outside resources
13 capable of meeting employee training needs, which includes, but is not limited to, the following
14 topics:

15 (i) Professional conduct, ethics, and patient confidentiality; and

16 (ii) Informational developments in the field of medical use of marijuana.

17 ~~(13)~~(15) Each compassion center entity shall provide each employee, agent and
18 volunteer, at the time of his or her initial appointment, training in the following:

19 (i) The proper use of security measures and controls that have been adopted; and

20 (ii) Specific procedural instructions on how to respond to an emergency, including
21 robbery or violent accident;

22 ~~(14)~~(16) All compassion centers shall prepare training documentation for each employee
23 and volunteer and have employees and volunteers sign a statement indicating the date, time, and
24 place the employee and volunteer received said training and topics discussed, to include name
25 and title of presenters. The compassion center shall maintain documentation of an employee's and
26 a volunteer's training for a period of at least six (6) months after termination of an employee's
27 employment or the volunteer's volunteering.

28 (g) Maximum amount of usable marijuana to be dispensed:

29 (1) A compassion center or principal officer, board member, agent, volunteer or
30 employee of a compassion center may not dispense more than two and one half ounces (2.5 oz) of
31 usable marijuana [or its equivalent](#) to a qualifying patient directly or through a qualifying patient's
32 ~~other~~ primary caregiver [or authorized purchaser](#) during a fifteen (15) day period;

33 (2) A compassion center or principal officer, board member, agent, volunteer or
34 employee of a compassion center may not dispense an amount of usable marijuana, ~~or marijuana~~

1 ~~plants~~ its equivalent, seedlings, or mature marijuana plants to a qualifying patient, ~~or~~ a qualifying
2 patient's ~~other~~ primary caregiver or a qualifying patient's authorized purchaser that the
3 compassion center, principal officer, board member, agent, volunteer, or employee knows would
4 cause the recipient to possess more marijuana than is permitted under the Edward O. Hawkins
5 and Thomas C. Slater Medical Marijuana Act.

6 (3) Compassion centers shall utilize a database administered by the departments of health
7 and business regulation. The database shall contains all compassion centers' transactions
8 according to qualifying patients', authorized purchasers' and primary caregivers, registry
9 identification numbers to protect the confidentiality of patient personal and medical information.
10 Compassion centers will not have access to any applications or supporting information submitted
11 by qualifying patients, authorized purchasers or primary caregivers. Before dispensing marijuana
12 to any patient or authorized purchaser, the compassion center must utilize the database to ensure
13 that a qualifying patient is not dispensed more than two and one half ounces (2.5 oz.) of usable
14 marijuana or its equivalent directly or through the qualifying patient's primary caregiver or
15 authorized purchaser during a fifteen (15) day period.

16 (h) Immunity:

17 (1) No registered compassion center shall be subject to prosecution; search, except by the
18 departments pursuant to subsection (e); seizure; or penalty in any manner or denied any right or
19 privilege, including, but not limited to, civil penalty or disciplinary action by a business,
20 occupational, or professional licensing board or entity, solely for acting in accordance with this
21 section to assist registered qualifying patients ~~to whom it is connected through the department's~~
22 ~~registration process with the medical use of marijuana;~~

23 (2) No registered compassion center shall be subject to prosecution; seizure or penalty in
24 any manner or denied any right or privilege, including, but not limited to, civil penalty or
25 disciplinary action by a business, occupational, or professional licensing board or entity, for
26 selling, giving or distributing marijuana in whatever form and within the limits established by the
27 department of health or the department of business regulation to another registered compassion
28 center;

29 (3) No principal officers, board members, agents, volunteers, or employees of a registered
30 compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any
31 manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary
32 action by a business, occupational, or professional licensing board or entity, solely for working
33 for or with a compassion center to engage in acts permitted by this section.

34 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or

1 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
2 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
3 the scope of his or her employment regarding the administration, execution and/or enforcement of
4 this act, and the provisions of Rhode Island general laws, §§ 9-31-8 and 9-31-9 shall be
5 applicable to this section.

6 (i) Prohibitions:

7 (1) A compassion center must limit its inventory of seedlings, plants, and usable
8 marijuana to reflect the projected needs of ~~registered~~ qualifying patients.

9 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
10 person other than a qualifying patient ~~who has designated the compassion center as a~~ or to such
11 patient's primary caregiver or ~~to such patient's other primary caregiver~~ authorized purchaser;

12 (3) A person found to have violated paragraph (2) of this subsection may not be an
13 employee, agent, volunteer, principal officer, or board member of any compassion center;

14 (4) An employee, agent, volunteer, principal officer or board member of any compassion
15 center found in violation of paragraph (2) above shall have his or her registry identification
16 revoked immediately; and

17 (5) 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 has determined that the person's conviction was for the medical use of marijuana or
21 assisting with the medical use of marijuana in accordance with the terms and conditions of this
22 chapter. A person who is employed by or is an agent, volunteer, principal officer, or board
23 member of a compassion center in violation of this section is guilty of a civil violation punishable
24 by a fine of up to one thousand dollars (\$1,000). A subsequent violation of this section is a
25 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 department of public
33 safety ~~Rhode Island state police~~ 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 [qualifying](#) patient or
10 primary caregiver cardholders may cooperatively cultivate marijuana in residential or non-
11 residential locations subject to the following restrictions:

12 [\(1\) Effective January 1, 2017, cooperative cultivations shall apply to the department of](#)
13 [business regulation for a license to operate;](#)

14 (2) A [registered patient or primary caregiver](#) cardholder can only ~~cooperatively~~ cultivate
15 in one location, [including participation in a cooperative cultivation;](#)

16 ~~(2)(3)~~ (3) No single location may have more than one cooperative cultivation. For the
17 purposes of this section, location means one structural building, not units within a structural
18 building.

19 ~~(3)(4)~~ (4) The cooperative cultivation shall not be visible from the street or other public
20 areas;

21 ~~(4)(5)~~ (5) A written acknowledgement of the limitations of the right to use and possess
22 marijuana for medical purposes in Rhode Island that is signed by each cardholder and is
23 displayed prominently in the premises cooperative cultivation.

24 ~~(5)(6)~~ (6) Cooperative cultivations are restricted to the following possession limits:

25 (i) A non-residential, cooperative cultivation may have no more than ten (10) ounces of
26 usable marijuana [or its equivalent and an amount of wet marijuana set in regulations promulgated](#)
27 [by the departments of health and business regulation](#), forty-eight (48) mature marijuana plants,
28 and ~~twenty-four (24)~~ [forty-eight \(48\)](#) seedlings.

29 (ii) A residential, cooperative cultivation may have no more than ten (10) ounces of
30 useable marijuana [or its equivalent and an amount of wet marijuana set in regulations](#)
31 [promulgated by the departments of health and business regulation](#), twenty-four (24) mature
32 marijuana plants, and ~~twelve (12)~~ [twenty-four \(24\)](#) seedlings.

33 [\(iii\) A non-residential or residential cooperative cultivation must have displayed](#)
34 [prominently on the premises its license issued by the department of business regulation.](#)

1 (iv) Every marijuana plant possessed by a cooperative cultivation must be accompanied
2 by a valid medical marijuana tag issued by the department of business regulation pursuant to §21-
3 28.6-15. Each cooperative cultivation must purchase at least one medical marijuana tag in order
4 to remain a licensed cooperative cultivation.

5 (v) Cooperative cultivations are 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.

8 ~~(6)~~(7) Cooperative cultivations must be inspected as follows:

9 (i) A non-residential, cooperative cultivation must have displayed prominently on the
10 premises documentation from the municipality where the single location is located that the
11 location and the cultivation has been inspected by the municipal building and/or zoning official
12 and the municipal fire department and is in compliance with any applicable state or municipal
13 housing and zoning codes.

14 (ii) A residential cooperative cultivation must have displayed prominently on the
15 premises an affidavit by a licensed electrician that the cultivation has been inspected and is in
16 compliance with any applicable state or municipal housing and zoning codes for the municipality
17 where the cooperative cultivation is located.

18 ~~(7)~~(8) Cooperative cultivations must report the location of the cooperative cultivation to
19 the department of public safety ~~division of state police~~.

20 ~~(8)~~(9) The reports provided to the department of public safety ~~division of state police~~ in
21 subsection (8) of this section shall be confidential, but locations may be confirmed for law
22 enforcement purposes. The report of the location of the cooperative cultivation alone shall not
23 constitute probable cause for a search of the cooperative cultivation.

24 (10) The department of business regulation shall promulgate regulations governing the
25 licensing and operation of cooperative cultivations, and may promulgate regulations that set a fee
26 for a cooperative cultivation license.

27 (b) Any violation of any provision ~~of this section shall result in the immediate revocation~~
28 ~~of the cardholder's registry identification card~~ of this chapter or regulations promulgated
29 hereunder as determined by the department of business regulation may result in the
30 revocation/suspension of the cooperative cultivation license.

31 SECTION 3. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
32 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
33 sections:

34 **21-28.6-15. Medical Marijuana Plant Tags. -- (a) Effective January 1, 2017, the**

1 department of business regulation shall make medical marijuana tag sets available for purchase.
2 Effective April 1, 2017, every marijuana plant, either mature or seedling, grown by a registered
3 patient or primary caregiver must be accompanied by a physical medical marijuana tag purchased
4 through the department of business regulation and issued by the department of health to
5 qualifying patients and primary caregivers or by the department of business regulation to licensed
6 cultivators.

7 (1) The department of business regulation shall charge an annual fee for each medical
8 marijuana tag set which shall include one tag for a mature medical marijuana plant and one tag
9 for a seedling. If the required fee has not been paid, those medical marijuana tags shall be
10 considered expired and invalid. The fee established by the department of business regulation shall
11 be in accordance with the following requirements:

12 (i) For patient cardholders authorized to grow medical marijuana by the department of
13 health, the fee per tag set shall not exceed twenty-five dollars (\$25);

14 (ii) For primary caregivers, the fee per tag set shall not exceed twenty-five dollars (\$25);

15 (iii) For patients that qualify for reduced-registration due to income or disability status,
16 there shall be no fee per tag set;

17 (iv) For caregivers who provide care for a patient cardholder who qualifies for reduced-
18 registration due to income or disability status, there shall be no fee per tag set for such qualifying
19 patient; and

20 (v) For licensed cultivators, the fee per tag set shall be established in regulations
21 promulgated by the department of business regulation.

22 (2) Effective January 1, 2017, the department of business regulation shall verify with the
23 department of health that all medical marijuana tag purchases are made by qualifying patient
24 cardholders or primary caregiver cardholders. The department of health shall provide this
25 verification according to qualifying patients' and primary caregivers' registry identification
26 numbers and without providing access to any applications or supporting information submitted by
27 qualifying patients to protect patient confidentiality;

28 (3) Effective January 1, 2019 and thereafter, the department of business regulation shall
29 verify with the department of health that all medical marijuana tag purchases are made by
30 registered patient cardholders who have notified the department of health of their election to grow
31 medical marijuana or primary caregiver cardholders. The department of health shall provide this
32 verification according to qualifying patients' and primary caregivers' registry identification
33 numbers and without providing access to any applications or supporting information submitted by
34 qualifying patients to protect patient confidentiality;

1 (4) The department of business regulation shall maintain information pertaining to
2 medical marijuana tags and shall share that information with the department of health.

3 (5) All primary caregivers shall purchase at least one medical marijuana tag for each
4 patient under their care and all patients growing medical marijuana for themselves shall purchase
5 at least one medical marijuana tag.

6 (6) All licensed cultivators shall purchase at least one medical marijuana tag.

7 (7) The departments of business regulation and health shall jointly promulgate
8 regulations to establish a process by which medical marijuana tags may be returned to either
9 department. The department of business regulation may choose to reimburse a portion or the
10 entire amount of any fees paid for medical marijuana tags that are subsequently returned.

11 (b) Enforcement:

12 (1) If a patient cardholder, primary caregiver cardholder or licensed cultivator violates
13 any provision of this chapter or the regulations promulgated hereunder as determined by the
14 departments of business regulation and health, his or her medical marijuana tags may be revoked.
15 In addition, the department that issued the cardholder's registration or the license may revoke the
16 cardholder's registration or license pursuant to §21-28.6-9.

17 (2) The department of business regulation may revoke and not reissue pursuant to
18 regulations medical marijuana tags to any cardholder or licensee who is convicted of; placed on
19 probation; whose case is filed pursuant to §12-10-12 where the defendant pleads nolo contendere;
20 or whose case is deferred pursuant to §12-19-19 where the defendant pleads nolo contendere for
21 any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act") or a
22 similar offense from any other jurisdiction.

23 (3) If a patient cardholder, primary caregiver cardholder, licensed cooperative cultivation
24 or licensed cultivator is found to have mature marijuana plants without valid medical marijuana
25 tags, the department of health or department of business regulation shall impose an administrative
26 penalty on the patient cardholder, primary caregiver cardholder, licensed cooperative cultivation
27 or licensed cultivator for each untagged mature marijuana plant not in excess of the limits set
28 forth in §21-28.6-4, §21-28.6-14 and §21-28.6-16 of no more than the total fee that would be paid
29 by a cardholder or licensee who purchased medical marijuana tags for such plants in compliance
30 with this chapter.

31 (4) If a patient cardholder, primary caregiver cardholder, or licensed cooperative
32 cultivation is found to have mature marijuana plants exceeding the limits set forth in §21-28.6-4,
33 §21-28.6-14, and §21-28.6-16 in addition to any penalties that may be imposed pursuant to §21-
34 28.6-9, the department of health or department of business regulation may impose an

1 administrative penalty on that cardholder or license holder for each mature marijuana plant in
2 excess of the applicable statutory limit of no less than the total fee that would be paid by a
3 cardholder who purchased medical marijuana tags for such plants in compliance with this chapter.

4 **21-28.6-16. Licensed cultivators. --** (a) A licensed cultivator licensed under this section
5 may acquire, possess, cultivate, deliver, or transfer marijuana to licensed compassion centers. A
6 licensed cultivator shall not be a primary caregiver cardholder and shall not hold a cooperative
7 cultivation license. Except as specifically provided to the contrary, all provisions of the Edward
8 O. Hawkins and Thomas C. Slater Medical Marijuana Act, §§21-28.6-1 – 21-28.6-15, apply to a
9 licensed cultivator unless they conflict with a provision contained in §21-28.6-16.

10 (b) Licensing of cultivators -- Department of business regulation authority. - The
11 department of business regulation shall promulgate regulations governing the manner in which it
12 shall consider applications for the licensing of cultivators, including regulations governing:

13 (1) The form and content of licensing and renewal applications;

14 (2) Minimum oversight requirements for licensed cultivators;

15 (3) Minimum record-keeping requirements for cultivators;

16 (4) Minimum security requirements for cultivators; and

17 (5) Procedures for suspending, revoking or terminating the license of cultivators that
18 violate the provisions of this section or the regulations promulgated pursuant to this subsection.

19 (c) A licensed cultivator license issued by the department of business regulation shall
20 expire one year after it was issued and the licensed cultivator may apply for renewal with the
21 department in accordance with its regulations pertaining to licensed cultivators.

22 (d) The department of business regulation shall promulgate regulations that govern how
23 many marijuana plants, how many marijuana seedlings, how much wet marijuana, and how much
24 usable marijuana a licensed cultivator may possess. Every marijuana plant possessed by a
25 licensed cultivator must be accompanied by valid medical marijuana tag issued by the department
26 of business regulation pursuant to §21-28.6-15. Each cultivator must purchase at least one
27 medical marijuana tag in order to remain a licensed cultivator.

28 (e) Cultivators shall only sell marijuana to compassion centers. All marijuana possessed
29 by a cultivator in excess of the possession limit established pursuant to subsection (d) above shall
30 be under formal agreement to be purchased by a compassion center. If such excess marijuana is
31 not under formal agreement to be purchased, the cultivator will have a period of time, specified in
32 regulations promulgated by the department of business regulation, to sell or destroy that excess
33 marijuana. The department may suspend and/or revoke the cultivator's license and the license of
34 any officer, director, employee or agent of such cultivator and/or impose an administrative

1 penalty in accordance with such regulations promulgated by the department for any violation of
2 this section or the regulations. In addition, any violation of this section or the regulations
3 promulgated pursuant this subsection and subsection (d) above shall cause a licensed cultivator to
4 lose the protections described in §21-28.6-16(m) and may subject the licensed cultivator to arrest
5 and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances Act).

6 (f) Cultivators shall be subject to any regulations promulgated by the department of
7 health or department of business regulation that specify how marijuana must be tested for items
8 including but not limited to potency, cannabinoid profile, and contaminants;

9 (g) Cultivators shall be subject to any product labeling requirements promulgated by the
10 department of business regulation and the department of health;

11 (h) Notwithstanding any other provisions of the general laws, the manufacture of
12 marijuana using a solvent extraction process that includes the use of a compressed, flammable gas
13 as a solvent by a licensed cultivator shall not be subject to the protections of this chapter.

14 (i) Cultivators shall only be licensed to grow marijuana at a single location, registered
15 with the department of business regulation and the department of public safety. The department
16 of business regulation may promulgate regulations governing where cultivators are allowed to
17 grow. Cultivators must abide by all local ordinances, including zoning ordinances.

18 (j) Inspection. Cultivators shall be subject to reasonable inspection by the department of
19 business regulation or the department of health for the purposes of enforcing regulations
20 promulgated pursuant to this chapter and all applicable Rhode Island general laws.

21 (k) The cultivator applicant shall apply to the bureau of criminal identification of the
22 department of attorney general, department of public safety division of state police, or local
23 police department for a national criminal records check that shall include fingerprints submitted
24 to the Federal Bureau of Investigation. Upon the discovery of any disqualifying information as
25 defined in §21-28.6-16(k)(2), and in accordance with the rules promulgated by the director of the
26 department of business regulation, the bureau of criminal identification of the department of
27 attorney general, department of public safety division of state police, or the local police
28 department shall inform the applicant, in writing, of the nature of the disqualifying information;
29 and, without disclosing the nature of the disqualifying information, shall notify the department of
30 business regulation, in writing, that disqualifying information has been discovered.

31 (l) In those situations in which no disqualifying information has been found, the bureau
32 of criminal identification of the department of attorney general, department of public safety
33 division of state police, or the local police department shall inform the applicant and the
34 department of business regulation, in writing, of this fact.

1 (2) Information produced by a national criminal records check pertaining to a conviction
2 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
3 sentence of probation shall result in a letter to the applicant and the department of business
4 regulation disqualifying the applicant.

5 (3) The cultivator applicant shall be responsible for any expense associated with the
6 national criminal records check.

7 (l) Persons issued cultivator licenses shall be subject to the following:

8 (1) A licensed cultivator shall notify and request approval from the department of
9 business regulation of any change in his or her name or address within ten (10) days of such
10 change. A cultivator who fails to notify the department of business regulation of any of these
11 changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
12 fifty dollars (\$150).

13 (2) When a licensed cultivator notifies the department of business regulation of any
14 changes listed in this subsection, the department of business regulation shall issue the cultivator a
15 new license after the department approves the changes and receives from the licensee payment of
16 a fee specified in regulation.

17 (3) If a licensed cultivator loses his or her license, he or she shall notify the department of
18 business regulation and submit a fee specified in regulation within ten (10) days of losing the
19 license. The department of business regulation shall issue a new license with a new random
20 identification number.

21 (4) A licensed cultivator shall notify the department of business regulation of any
22 disqualifying criminal convictions as defined in §21-28.6-16(k)(2). The department of business
23 regulation may choose to suspend and/or revoke his or her license after such notification.

24 (5) If a licensed cultivator violates any provision of this chapter or regulations
25 promulgated hereunder as determined by the department of business regulation, his or her license
26 may be suspended and/or revoked.

27 (m) Immunity:

28 (1) No licensed cultivator shall be subject to prosecution; search, except by the
29 departments pursuant to subsection (j); seizure; or penalty in any manner or denied any right or
30 privilege, including, but not limited to, civil penalty or disciplinary action by a business,
31 occupational, or professional licensing board or entity, solely for acting in accordance with this
32 section to assist registered qualifying;

33 (2) No licensed cultivator shall be subject to prosecution; seizure or penalty in any
34 manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary

1 [action by a business, occupational, or professional licensing board or entity, for selling, giving or](#)
2 [distributing marijuana in whatever form and within the limits established by the department of](#)
3 [business regulation to a registered compassion center;](#)

4 [\(3\) No principal officers, board members, agents, volunteers, or employees of a licensed](#)
5 [cultivator shall be subject to arrest, prosecution, search, seizure, or penalty in any manner or](#)
6 [denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a](#)
7 [business, occupational, or professional licensing board or entity, solely for working for or with a](#)
8 [licensed cultivator to engage in acts permitted by this section.](#)

9 [\(4\) No state employee shall be subject to arrest, prosecution or penalty in any manner, or](#)
10 [denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,](#)
11 [termination, or loss of employee or pension benefits, for any and all conduct that occurs within](#)
12 [the scope of his or her employment regarding the administration, execution and/or enforcement of](#)
13 [this act, and the provisions of Rhode Island general laws, §§9-31-8 and 9-31-9 shall be applicable](#)
14 [to this section.](#)

15 **21-28.6-17. Revenue.** -- [Effective July 1, 2016, all fees collected by the departments of](#)
16 [health and business regulation from applicants, registered patients, primary caregivers, authorized](#)
17 [purchasers, licensed cultivators and cooperative cultivations shall be placed in restricted receipt](#)
18 [accounts to support the state's medical marijuana program.](#)

19 SECTION 4. Sections 42-14-1 and 42-14-2 of the General Laws in Chapter 42-14
20 entitled "Department of Business Regulation" are hereby amended to read as follows:

21 **42-14-1. Establishment – Head of department.** -- There shall be a department of
22 business regulation. The head of the department shall be the director of business regulation who
23 shall carry out, except as otherwise provided by this title, this chapter; chapters 1, 2, and 4 – 12,
24 inclusive, of title 3; chapters 3, 20.5, 38, 49, 52, 53 and 58 of title 5; chapter 31 of title 6; chapter
25 11 of title 7; chapters 1 – 29, inclusive, of title 19, except § 19-24-6; [chapter 28.6 of title 21;](#)
26 chapter 26 of title 23; chapters 1 – 36, inclusive, of title 27. The director of business regulation
27 shall also perform the duties required by any and all other provisions of the general laws and
28 public laws insofar as those provisions relate to the director of revenue and regulation, chief of
29 the division of banking and insurance, chief of the division of intoxicating beverages, and each of
30 the divisions, except as otherwise provided by this title.

31 **42-14-2. Functions of department.** -- (a) It shall be the function of the department of
32 business regulation:

33 (1) To regulate and control banking and insurance, foreign surety companies, sale of
34 securities, building and loan associations, fraternal benefit and beneficiary societies;

1 (2) To regulate and control the manufacture, transportation, possession, and sale of
2 alcoholic beverages;

3 (3) To license and regulate the manufacture and sale of articles of bedding, upholstered
4 furniture, and filling materials;

5 (4) To regulate the licensing of compassion centers, licensed cultivators, and cooperative
6 cultivations pursuant to chapter 28.6 of title 21 of the general laws.

7 (b) Whenever any hearing is required or permitted to be held pursuant to law or
8 regulation of the department of business regulation, and whenever no statutory provision exists
9 providing that notice be given to interested parties prior to the hearing, no such hearing shall be
10 held without notice in writing being given at least ten (10) days prior to such hearing to all
11 interested parties. For purposes of this section, an "interested party" shall be deemed to include
12 the party subject to regulation hereunder, the Rhode Island consumers' council, and any party
13 entitled to appear at the hearing. Notice to the party that will be subject to regulation, the Rhode
14 Island consumers' council [Repealed], and any party who has made known his or her intention to
15 appear at the hearing shall be sufficient if it be in writing and mailed, first class mail, to the party
16 at his or her regular business address. Notice to the general public shall be sufficient hereunder if
17 it be by publication in a newspaper of general circulation in the municipality affected by the
18 regulation.

19 SECTION 5. This article shall take effect as of July 1, 2016.

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ARTICLE 15

RELATING TO LEASE AGREEMENT FOR LEASED OFFICE AND OPERATING SPACE

SECTION 1. This article consists of a Joint Resolution that is submitted pursuant to Rhode Island General Laws §37-6-2 authorizing a lease agreement for office space and operating space for the Rhode Island Commission for Human Rights.

SECTION 2. Commission for Human Rights, 180 Westminster Street, Providence.

WHEREAS, The Rhode Island Commission for Human Rights currently holds a lease agreement with Dorwest Associates, LLC for approximately 9,912 square feet of office space located at 180 Westminster Street in the City of Providence; and

WHEREAS, The State of Rhode Island, acting by and through the Rhode Island Commission for Human Rights, attests to the fact that there are no clauses in the lease agreement with Dorwest Associates, LLC that would interfere with the Commission's lease agreement or use of the facility; and

WHEREAS, The current lease agreement expires on August 31, 2016, and the Rhode Island Commission for Human Rights wishes to renew the lease agreement with Dorwest Associates, LLC for a period of five (5) years, commencing on September 1, 2016 and expiring on August 31, 2021; and

WHEREAS, The leased premises provide a central location from which the Rhode Island Commission for Human Rights can serve the needs of state residents and otherwise fulfill the mission of the Commission; and

WHEREAS, The annual base rent in the agreement in the current fiscal year ending June 30, 2016 is one hundred sixty-three thousand three hundred fifty dollars (\$163,350); and

WHEREAS, The additional rent for parking in the current fiscal year ending June 30, 2016 is twenty six thousand one hundred dollars (\$26,100); and

WHEREAS, The annual base rent in each of the five (5) years of the new lease term is not to exceed one hundred seventy-five thousand nine hundred thirty-eight dollars (\$175,938) and additional rent for parking will no longer be included as parking will instead be provided by the Rhode Island Convention Center Authority; and

WHEREAS, The State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for a new lease agreement between the Rhode Island

1 Commission for Human Rights and Dorwest Associates, LLC, for the facility located at 180
2 Westminster Street in the City of Providence; now, therefore be it

3 RESOLVED, That this General Assembly approves a new lease agreement, for a term to
4 not to exceed five (5) years and a total cost not to exceed eight hundred seventy-nine thousand six
5 hundred ninety dollars (\$879,690); and it be further

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

8 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
9 duly certified copies of this resolution to the Governor, the Executive Director of the Rhode
10 Island Commission for Human Rights, the Director of Administration, the State Budget Officer,
11 and the Chair of the State Properties Committee.

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

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ARTICLE 16

RELATING TO CLEAN DIESEL PROGRAM

SECTION 1. Chapter 31-47.3 of the General Laws entitled "The Diesel Emissions Reduction Act" is hereby amended by adding thereto the following section:

31-47.3-5.1. Establishment of the Rhode Island clean diesel fund. -- (a) There is hereby authorized and created within DEM a Rhode Island clean diesel fund for the purpose of reducing emissions from heavy-duty diesel engines operating on state roads and helping companies improve supply chain efficiency as described in the United States Environmental Protection Agency's SmartWay Program. The clean diesel fund will solicit projects that undertake eligible clean diesel measures and award grants from the fund to reimburse applicants for undertaking these measures.

(b) DEM shall promulgate rules and regulations pursuant to chapter 35 of title 42 containing a list of eligible clean diesel measures which shall include, but not be limited to, the following:

- (1) Aerodynamic technologies;
- (2) Clean alternative fuel conversions;
- (3) Diesel emission reduction solutions;
- (4) Engine repowers;
- (5) Idle reduction technologies;
- (6) Low rolling resistance tires;
- (7) Vehicle replacements;
- (8) Replacement or upgrades of transport refrigeration units or transport refrigeration unit generator sets; and
- (9) Routine maintenance shown to improve fuel efficiency or decrease emissions including, but not limited to, oil changes and cleaning of diesel particulate filters.

- (c) Equipment eligible for grant funding must:
- (1) Be intended for on-road use;
 - (2) Be registered with the Rhode Island division of motor vehicles;
 - (3) Be kept or garaged in Rhode Island as indicated on the vehicle registration issued by the division of motor vehicles;

1 (4) Have been certified to DEM that fifty percent (50%) or more of vehicle miles
2 traveled, or hours of operation, shall be projected to be in Rhode Island for at least five (5) years
3 following the grant award; and

4 (5) Meet any other criteria established in DEM rules and regulations promulgated by
5 DEM pursuant to Chapter 35 of title 42.

6 (d) Administrative costs. - The cost of administration and outreach by DEM shall not in
7 any year exceed two hundred thousand dollars (\$200,000) or ten percent (10%) of the fund
8 appropriation, whichever is greater.

9 (e) Project priority list. - DEM shall promulgate rules and regulations pursuant to chapter
10 35 of title 42 that contain a project priority list for the Rhode Island clean diesel fund and the
11 process through which an eligible applicant may submit an application for inclusion of a project
12 on the project priority list. Upon issuance of the project priority list by DEM, the project priority
13 list shall be used by DEM to determine the order in which grants shall be awarded.

14 (f) Awarding of grants. - DEM shall only award grant funds after verifying that the
15 eligible measures outlined in the application have been implemented successfully by the
16 applicant. If the final invoice price of an eligible measure is less than the initial quoted price, the
17 grant award shall be reduced accordingly. Grants shall not be awarded to aid in compliance with
18 existing mandates in state or federal law.

19 (g) Grant amounts. - For each eligible measure implemented by the applicant, DEM shall
20 only issue grants for up to fifty percent (50%) of the total project cost. DEM shall promulgate
21 rules and regulations pursuant to chapter 35 of title 42 that set the exact reimbursement amount
22 for each eligible measure. The total project cost shall include both the material and labor needed
23 to implement each eligible measure. No one applicant shall be awarded more than twenty-five
24 percent (25%) of the grant funds appropriated during a given fiscal year, provided that the total
25 grants requested exceed the amount appropriated. If the total amount of grants requested is less
26 than the amount appropriated in a given fiscal year, DEM may allocate more than twenty-five
27 percent (25%) of the fund to one applicant.

28 (h) Vehicle replacements. - For projects that propose to replace vehicles, the following
29 conditions shall be met:

30 (1) The applicant shall replace an older vehicle with a newer vehicle certified to more
31 stringent emissions standards than the engine or vehicle being replaced;

32 (2) The vehicle being replaced is a model year at least ten (10) years old;

33 (3) The vehicle being replaced has a gross vehicle weight rating of thirty-three thousand
34 one pounds (33,001 lbs.) or greater;

- 1 (4) The replacement vehicle purchased by the applicant is a model year no more than
2 three (3) years old;
- 3 (5) The replacement vehicle has a gross vehicle weight rating of thirty-three thousand one
4 pounds (33,001 lbs.) or greater;
- 5 (6) The replacement vehicle must be operable with remaining useful life as defined in
6 rules and regulations promulgated by DEM pursuant to chapter 35 of title 42.
- 7 (7) The engine of the vehicle being replaced must be scrapped or otherwise rendered
8 inoperable in a manner consistent with rules and regulations promulgated by DEM pursuant to
9 chapter 35 of title 42;
- 10 (8) The amount of funding requested must contain the sale price of the vehicle, not
11 including any interest or other finance charges; and
- 12 (9) A vehicle purchased on a lease must be operated for the life of the project, with the
13 life of the project being included in the application approved by DEM.
- 14 (i) Transport refrigeration unit replacement. - For projects that propose to replace or
15 upgrade transport refrigeration units or transport refrigeration unit generator sets, the following
16 conditions shall be met:
- 17 (1) The transport refrigeration unit or transport refrigeration unit generator set being
18 replaced or upgraded is powered by a diesel engine;
- 19 (2) The transport refrigeration unit or transport refrigeration unit generator set being
20 replaced or upgraded is being used on a vehicle with a gross vehicle weight rating of thirty-three
21 thousand one pounds (33,001 lbs.) or greater;
- 22 (3) The replacement or upgraded transport refrigeration unit or transport refrigeration unit
23 generator set produces fewer emissions than the equipment being replaced or upgraded; and
- 24 (4) The replacement or upgraded transport refrigeration unit or transport refrigeration unit
25 generator set meets emission criteria established by DEM in rules and regulations promulgated by
26 DEM pursuant to chapter 35 of title 42.
- 27 (i) Reporting. - Projects receiving grant funding from DEM shall be subject to any
28 reporting and data collection requirement specified in DEM rules and regulations promulgated by
29 DEM pursuant to chapter 35 of title 42.
- 30 (j) Penalties. - Applicants awarded funds under this program may be penalized for
31 breaching the terms of their grant award or for other project non-performance through the:
- 32 (1) Cancellation of the grant award;
- 33 (2) Recovery of all or a portion of the grant award;
- 34 (3) Other fiscal penalties on an applicant based on the severity of non-performance and as

1 specified in rules and regulations promulgated by DEM pursuant to chapter 35 of title 42; or

2 (4) Prohibiting an applicant or a specific vehicle from participating in the program in the
3 future.

4 (k) Appropriation. - The general assembly shall annually appropriate such funds as it
5 deems appropriate for this program.

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

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ARTICLE 17 AS AMENDED

RELATING TO COMMERCE AND ECONOMIC DEVELOPMENT

SECTION 1. Section 42-63.1-3 of the General Laws in Chapter 42-63.1 entitled "Tourism and Development" is hereby amended to read as follows:

42-63.1-3. Distribution of tax. -- (a) For returns and tax payments received on or before December 31, 2015, except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential units offered for tourist or transient use through a hosting platform, shall be distributed as follows by the division of taxation and the city of Newport:

(1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel is located; provided, however, that from the tax generated by the hotels in the city of Warwick, thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%) of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the Convention Authority of the city of Providence established pursuant to the provisions of chapter 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island commerce corporation as established in Rhode Island General Law Chapter 42-64;

(2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the hotel, which generated the tax, is physically located, to be used for whatever purpose the city or town decides.

(3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce corporation established in chapter 42-64, and seven percent (7%) to the Greater Providence-Warwick Convention and Visitors' Bureau.

(b) For returns and tax payments received after December 31, 2015, except as provided

1 in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected
2 from residential units offered for tourist or transient use through a hosting platform, shall be
3 distributed as follows by the division of taxation and the city of Newport:

4 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
5 42-63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district,
6 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
7 the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
8 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
9 eight percent (28%) of the tax shall be given to the Rhode Island commerce corporation
10 established in chapter 42-64.

11 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
12 5, twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five
13 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
14 tax, is physically located, twenty-three (23%) of the tax shall be given to the Greater Providence-
15 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of
16 the tax shall be given to the Rhode Island commerce corporation established in chapter 42-64.

17 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
18 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
19 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
20 physically located, twenty-three percent (23%) of the tax shall be given to the Greater
21 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
22 four (24%) of the tax shall be given to the Rhode Island commerce corporation established in
23 chapter 42-64.

24 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
25 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
26 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
27 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
28 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
29 chapter 42-64.

30 (5) With respect to the tax generated by hotels in districts other than those set forth in
31 sections (1) through (4) above, forty-two percent (42%) of the tax shall be given to the regional
32 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)
33 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
34 located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick

1 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of the tax
2 shall be given to the Rhode Island commerce corporation established in chapter 42-64.

3 (c) The proceeds of the hotel tax collected from residential units offered for tourist or
4 transient use through a hosting platform shall distributed as follows by the division of taxation
5 and the city of Newport: twenty-five percent (25%) of the tax shall be given to the city or town
6 where the residential unit, which generated the tax, is physically located, and seventy-five percent
7 (75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
8 64 of title 42.

9 (d) The Rhode Island commerce corporation shall be required in each fiscal year to
10 spend on the promotion and marketing of Rhode Island as a destination for tourists or businesses
11 an amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this
12 chapter for such fiscal year.

13 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
14 received on or after July 1, 2016 and on or before June 30, 2017, except as provided in §42-63.1-
15 12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential
16 units offered for tourist or transient use through a hosting platform, shall be distributed in
17 accordance with the distribution percentages established in §42-63.1-3(a)(1) through §42-63.1-
18 3(a)(3) by the division of taxation and the city of Newport.

19 SECTION 2. Sections 42-64.20-5, 42-64.20-6 and 42-64.20-7 of the General Laws in
20 Chapter 42-64.20 entitled "Rebuild Rhode Island Tax Credit" are hereby amended to read as
21 follows:

22 **42-64.20-5. Tax credits.** -- (a) An applicant meeting the requirements of this chapter may
23 be allowed a credit as set forth hereinafter against taxes imposed upon such person under
24 applicable provisions of title 44 of the general laws for a qualified development project.

25 (b) To be eligible as a qualified development project entitled to tax credits, an applicant's
26 chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the
27 time of application, that:

28 (1) The applicant has committed capital investment or owner equity of not less than
29 twenty percent (20%) of the total project cost;

30 (2) There is a project financing gap in which after taking into account all available
31 private and public funding sources, the project is not likely to be accomplished by private
32 enterprise without the tax credits described in this chapter; and

33 (3) The project fulfills the state's policy and planning objectives and priorities in that:

34 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax

1 stabilization agreement from the municipality in which the real estate project is located on such
2 terms as the commerce corporation deems acceptable;

3 (ii) It (A) is a commercial development consisting of at least 25,000 square feet occupied
4 by at least one business employing at least 25 full-time employees after construction or such
5 additional full-time employees as the commerce corporation may determine; (B) is a multi-family
6 residential development in a new, adaptive reuse, certified historic structure, or recognized
7 historical structure consisting of at least 20,000 square feet and having at least 20 residential units
8 in a hope community; or (C) is a mixed use development in a new, adaptive reuse, certified
9 historic structure, or recognized historical structure consisting of at least 25,000 square feet
10 occupied by at least one business, subject to further definition through rules and regulations
11 promulgated by the commerce corporation; and

12 (iii) Involves a total project cost of not less than \$5,000,000, except for a qualified
13 development project located in a hope community or redevelopment area designated under § 45-
14 32-4 of the general laws in which event the commerce corporation shall have the discretion to
15 modify the minimum project cost requirement.

16 (c) Applicants qualifying for a tax credit pursuant to chapter 44-33.6 of the General
17 Laws shall be exempt from the requirements of subsections (b)(3)(ii) and (b)(3)(iii) of this
18 section. The following procedure shall apply to such applicants:

19 (1) The division of taxation shall remain responsible for determining the eligibility of an
20 applicant for tax credits awarded under chapter 44-33.6 of the General Laws;

21 (2) The commerce corporation shall retain sole authority for determining the eligibility
22 of an applicant for tax credits awarded under this chapter; and

23 (3) The commerce corporation shall not award in excess of fifteen percent (15%) of the
24 annual amount appropriated in any fiscal year to applicants seeking tax credits pursuant to this
25 subsection (c).

26 (d) Maximum project credit.

27 (i) For qualified development projects, the maximum tax credit allowed under this
28 chapter shall be the lesser of (1) thirty percent (30%) of the total project cost; or (2) the amount
29 needed to close a project financing gap (after taking into account all other private and public
30 funding sources available to the project), as determined by the commerce corporation.

31 (ii) The credit allowed pursuant to this chapter shall not exceed fifteen million dollars
32 (\$15,000,000) for any qualified development project under this chapter. No building or qualified
33 development project to be completed in phases or in multiple projects shall exceed the maximum
34 project credit of fifteen million dollars (\$15,000,000) for all phases or projects involved in the

1 rehabilitation of such building. Provided, however, that for purposes of this subsection and no
2 more than once in a given fiscal year, the commerce corporation may consider the development
3 of land and buildings by a developer on the “I-195 land” (as defined in section 42-64.24-3(6) of
4 the general laws) as a separate qualified development project from a qualified development
5 project by a tenant or owner of a commercial condominium or similar legal interest including
6 leasehold improvement, fit out and capital investment. Such qualified development project by a
7 tenant or owner of a commercial condominium or similar legal interest on the I-195 land may be
8 exempted from subsection (d)(i)(1) of this section.

9 (e) Credits available under this chapter shall not exceed twenty percent (20%) of the
10 project cost, provided, however, that the applicant shall be eligible for additional tax credits of not
11 more than ten percent (10%) of the project cost, if the qualified development project meets any of
12 the following criteria or other additional criteria determined by the commerce corporation from
13 time to time in response to evolving economic or market conditions:

14 (1) The project includes adaptive reuse or development of a recognized historical
15 structure;

16 (2) The project is undertaken by or for a targeted industry;

17 (3) The project is located in a transit oriented development area;

18 (4) The project includes residential development of which at least twenty percent (20%)
19 of the residential units are designated as affordable housing or workforce housing;

20 (5) The project includes the adaptive reuse of property subject to the requirements of the
21 industrial property remediation and reuse act, sections 23-19.14-1, et seq. of the general laws; or

22 (6) The project includes commercial facilities constructed in accordance with the
23 minimum environmental and sustainability standards, as certified by the commerce corporation
24 pursuant to Leadership in Energy and Environmental Design or other equivalent standards.

25 (f) Maximum aggregate credits. The aggregate sum authorized pursuant to this chapter
26 shall not exceed one hundred and fifty million dollars (\$150,000,000).

27 ~~(g)~~ Tax credits shall not be allowed under this chapter prior to the taxable year in
28 which the project is placed in service.

29 ~~(g)~~(h) The amount of a tax credit allowed under this chapter shall be allowable to the
30 taxpayer in up to five annual increments; no more than thirty percent (30%) and no less than
31 fifteen percent (15%) of the total credits allowed to a taxpayer under this chapter may be
32 allowable for any taxable year.

33 ~~(h)~~(i) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's
34 total tax liability for the year in which the relevant portion of the credit is allowed, the amount

1 that exceeds the taxpayer's tax liability may be carried forward for credit against the taxes
2 imposed for the succeeding four (4) years, or until the full credit is used, whichever occurs first.
3 Credits allowed to a partnership, a limited liability company taxed as a partnership, or multiple
4 owners of property shall be passed through to the persons designated as partners, members or
5 owners respectively pro rata or pursuant to an executed agreement among such persons
6 designated as partners, members or owners documenting an alternate distribution method without
7 regard to their sharing of other tax or economic attributes of such entity.

8 ~~(j)~~(i) The commerce corporation in consultation with the division of taxation shall
9 establish, by regulation, the process for the assignment, transfer or conveyance of tax credits.

10 ~~(k)~~(k) For purposes of this chapter, any assignment or sales proceeds received by the
11 taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be
12 exempt from taxation under title 44 of the general laws. If a tax credit is subsequently revoked or
13 adjusted, the seller's tax calculation for the year of revocation or adjustment shall be increased by
14 the total amount of the sales proceeds, without proration, as a modification under chapter 30 of
15 title 44 of the general laws. In the event that the seller is not a natural person, the seller's tax
16 calculation under chapters 11, 13, 14, or 17 of title 44 of the general laws, as applicable, for the
17 year of revocation, or adjustment, shall be increased by including the total amount of the sales
18 proceeds without proration.

19 ~~(l)~~(l) The tax credit allowed under this chapter may be used as a credit against corporate
20 income taxes imposed under chapters 11, 13, 14, or 17, of title 44, or may be used as a credit
21 against personal income taxes imposed under chapter 30 of title 44 for owners of pass-through
22 entities such as a partnership, a limited liability company taxed as a partnership, or multiple
23 owners of property.

24 ~~(m)~~(m) In the case of a corporation, this credit is only allowed against the tax of a
25 corporation included in a consolidated return that qualifies for the credit and not against the tax of
26 other corporations that may join in the filing of a consolidated tax return.

27 ~~(n)~~(n) Upon request of a taxpayer and subject to annual appropriation, the state shall
28 redeem such credit in whole or in part for ninety percent (90%) of the value of the tax credit. The
29 division of taxation, in consultation with the commerce corporation, shall establish by regulation
30 a redemption process for tax credits.

31 ~~(o)~~(o) Projects eligible to receive a tax credit under this chapter may, at the discretion of
32 the commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
33 following classes of personal property only to the extent utilized directly and exclusively in such
34 project: (1) furniture, fixtures and equipment, except automobiles, trucks or other motor vehicles;

1 or (2) such other materials, including construction materials and supplies, that are depreciable and
2 have a useful life of one year or more and are essential to the project.

3 ~~(p)~~(p) The commerce corporation shall promulgate rules and regulations for the
4 administration and certification of additional tax credit under subsection (e) of this section,
5 including criteria for the eligibility, evaluation, prioritization, and approval of projects that
6 qualify for such additional tax credit.

7 ~~(q)~~(q) The commerce corporation shall not have any obligation to make any award or
8 grant any benefits under this chapter.

9 **42-64.20-6. Administration.** -- (a) To obtain the tax credit authorized in this chapter,
10 applicants shall apply to the commerce corporation board for approval of a qualified development
11 project for credits under this chapter. Such approval shall at a minimum require:

12 (1) That the applicant has submitted a completed application as developed by the
13 commerce corporation in consultation with the division of taxation;

14 (2) That the chief executive of the commerce corporation provide written confirmation to
15 the commerce corporation board (i) that the commerce corporation has reviewed the application
16 and any determination regarding the potential impact on the project's ability to stimulate business
17 development; retain and attract new business and industry to the state; create jobs, including
18 good-paying jobs, for its residents; assist with business, commercial, and industrial real estate
19 development; and generate revenues for necessary state and local governmental services; and (ii)
20 the total credits to be awarded to the applicant.

21 (3) That the secretary of commerce provide written confirmation to the commerce
22 corporation board that the recommendation of the commerce corporation is consistent with the
23 purposes of this chapter; and

24 (4) That the director of the office of management and budget provide (i) written
25 confirmation to the commerce corporation board that the ~~total~~ aggregate credits recommended by
26 the commerce corporation pursuant to this chapter do not exceed the ~~existing and anticipated~~
27 ~~revenue capacity of the state and its funding commitment described in 42-64.20-7; and (ii) an~~
28 ~~analysis of the fiscal impact, if any, in the year of application and any subsequent year. Such~~
29 ~~determination shall be made in a timely manner.~~ maximum aggregate credits allowed under this
30 chapter in accordance with §42-64.20-5(f).

31 (b) As the commerce corporation board determines whether to grant credits under this
32 chapter, it shall consider the purposes for which this chapter is established, which include (but are
33 not necessarily limited to) the following: (i) to create jobs with an emphasis on jobs that pay at
34 least the most recent state median wage as defined by the Department of Labor and Training; and

1 (ii) to spur economic growth and new development in Rhode Island.

2 (c) To claim a tax credit authorized by the board of the commerce corporation, applicants
3 shall apply to the commerce corporation for a certification that the project has met all
4 requirements of this chapter and any additional requirements set by the commerce corporation
5 subsequent to the time the qualified development project is placed in service. The commerce
6 corporation shall issue to the applicant a certification or a written response detailing any
7 deficiencies precluding certification. The commerce corporation may deny certification, or may
8 revoke the delivery of tax credits if the project does not meet all requirements of this chapter and
9 any additional requirements set by the commerce corporation.

10 (d) Upon issuance of a certification by the commerce corporation under subsection (c) of
11 this section, the division of taxation shall, on behalf of the State of Rhode Island, issue tax credit
12 certificates equaling one hundred percent (100%) of the tax credits approved by the commerce
13 corporation.

14 (e) In the event that tax credits or a portion of tax credits are revoked by the commerce
15 corporation and such tax credits have been transferred or assigned, the commerce corporation will
16 pursue its recapture rights and remedies against the applicant of the tax credits who shall be liable
17 to repay to the commerce corporation the face value of all tax credits assigned or transferred, and
18 all fees paid by the applicant shall be deemed forfeited. No redress shall be sought against
19 assignees or transferees of such tax credits provided the tax credits were acquired by way of an
20 arms-length transaction, for value, and without notice of violation, fraud or misrepresentation.

21 (f) The commerce corporation and division of taxation shall promulgate such rules and
22 regulations as are necessary to carry out the intent and purpose and implementation of the
23 responsibilities of each under this chapter.

24 **42-64.20-7. Rebuild Rhode Island tax credit fund.** – (a) There is hereby established at
25 the commerce corporation a restricted account known as the rebuild Rhode Island tax credit fund
26 (the "~~fund~~" "Fund") in which all amounts appropriated for the ~~redemption and/or reimbursement~~
27 ~~of tax credits~~ program created under this chapter shall be deposited. The Fund shall be used (i) to
28 pay for the redemption of tax credits or reimbursement to the state for tax credits applied against
29 a taxpayer's liability. The commerce corporation may pledge and reserve amounts deposited into
30 the Fund for the purpose of securing payment for the redemption of tax credits or for making
31 reimbursements to municipalities pursuant to chapter 64.22 of title 42 of the general laws. The
32 Fund shall be exempt from attachment, levy or any other process at law or in equity. The director
33 of the department of revenue shall make a requisition to the commerce corporation for funding
34 during any fiscal year as may be necessary to pay for the redemption of tax credits presented for

1 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
2 commerce corporation shall pay from the Fund such amounts as requested by the director of the
3 department of revenue necessary for redemption or reimbursement in relation to tax credits
4 granted under this chapter: ; provided, however, that the commerce corporation shall not be
5 required to pay from the Fund such sums pledged and reserved by the commerce corporation, as
6 permitted in this section, except for redemption of tax credits.

7 (b) Notwithstanding anything in this chapter to the contrary, the commerce corporation
8 may make a loan or equity investment as an alternative incentive in lieu of the provision of tax
9 credits so long as the applicant otherwise qualifies for tax credits under this chapter. In addition to
10 the qualification requirements of this chapter, any loan or equity investment shall be subject to the
11 provisions of §§42-64.20-5(b), (d), (e), (f), (g), (n), (o), (p), and (q), 42-64.20-7, 42-64.20-8, 42-
12 64.20-9, and 42-64.20-10 as if such loan or equity investment were a tax credit. The commerce
13 corporation may pay, reserve and/or pledge monies for a loan or equity investment from the Fund

14 SECTION 3. Title 42 of the General Laws entitled "STATE AFFAIRS AND
15 GOVERNMENT" is hereby amended by adding thereto the following chapter:

16 CHAPTER 64.32

17 AIR SERVICE DEVELOPMENT FUND

18 **42-64.32-1. Legislative findings. --** It is hereby found and declared as follows: (a) The
19 development of additional scheduled air carrier and cargo services ("air service") to T. F. Green
20 State Airport is essential to improving the overall economic climate of the state, attracting
21 businesses, promoting tourism and growing jobs. Such additional air service is particularly
22 important to advanced industries, industries characterized by high levels of research and
23 development expenditures and reliance on science, technology, design, engineering, and
24 mathematics workers.

25 (b) Providing incentives, revenue guarantees and/or other support for new or additional
26 air service on new or additional routes is an important step in meeting these economic
27 development goals.

28 (c) An air service development fund provides flexibility in increasing and providing
29 incentives for air service to T. F. Green State Airport that the Rhode Island airport corporation
30 may otherwise not be able to finance under the regulations and policies of the federal aviation
31 administration. For that reason, this program is established independently of and unrelated to the
32 Rhode Island airport corporation.

33 **42-64.32-2. Fund established. --** (a) There is hereby established within the Rhode Island
34 commerce corporation the air service development fund (the "fund") to be administered by the

1 commerce corporation as set forth in this chapter. The fund shall consist of money appropriated
2 by the general assembly and deposited into the fund, and any other money made available to the
3 fund from any other source; provided that any revenue deemed to be airport revenue shall not be
4 included in the fund.

5 **42-64.32-3. Air service development council. --** (a) The Rhode Island commerce
6 corporation shall establish an air service development council (the "council"), which shall have
7 the authority and responsibility for entering into agreements with scheduled air carriers and/or
8 cargo carriers to provide direct financial incentives, revenue guarantees and/or other support to
9 incentivize air service to T. F. Green State Airport.

10 (b) The air service development council shall consist of the secretary of commerce or his
11 or her designee, who shall serve as chair of the council, and four members appointed by the board
12 of the Rhode Island commerce corporation, at least one of whom shall have airport management
13 or air carrier experience, at least one of whom shall be a representative from a chamber of
14 commerce, and at least one of whom shall represent a business with more than one hundred (100)
15 employees located in Rhode Island. No member of the council shall be a director or employee of
16 the Rhode Island airport corporation. Members shall serve at the pleasure of the board of the
17 commerce corporation. The members shall not receive a salary but shall be reimbursed for any
18 necessary expenses incurred in the performance of their duties.

19 (c) The Rhode Island commerce corporation shall have the authority under this chapter to
20 enter into contracts providing for incentives, guarantees, and/or other support for new or
21 additional flights to T. F. Green State Airport by scheduled air carriers or cargo carriers, provided
22 that such contracts have been previously approved by the air service development council. Such
23 incentives, guarantees and other support shall be financed only with proceeds from the air service
24 development fund established pursuant to §42-64.32-2, and not with any airport revenue, subject
25 to regulation pursuant to the policies or regulations of the federal aviation administration.

26 (d) The air service development council shall publish the criteria that it will use in
27 evaluating proposals or arrangements that further the purposes of this chapter. Such criteria shall
28 require, at a minimum, that to qualify for incentives a scheduled air carrier or cargo carrier must
29 commit to new or additional flights for an agreed upon duration which represent an increase in
30 service.

31 (e) The air service development council may, at its discretion, provide incentives to
32 service to one scheduled air carrier or cargo carrier without offering identical incentives to other
33 scheduled air carriers or cargo carriers if doing so furthers the purposes of this chapter.

34 **42-64.32-4. Program integrity. --** Program integrity being of paramount importance, the

1 Rhode Island commerce corporation shall establish procedures to ensure ongoing compliance
2 with the terms and conditions of the program established herein, including procedures to
3 safeguard the expenditure of public funds and to ensure that the funds further the purposes of the
4 program.

5 **42-64.32-5. Reporting requirements.** -- No later than sixty (60) days after the end of the
6 fiscal year, the Rhode Island commerce corporation shall submit an annual report to the governor,
7 the speaker of the house and the president of the senate detailing any incentives provided for
8 under this chapter and such other information as the commerce corporation deems necessary.

9 SECTION 4. Section 42-64.24-3 of the General Laws in Chapter 42-64.24 entitled "I-195
10 Redevelopment Project Fund" is hereby amended to read as follows:

11 **42-64.24-3. Definitions.** -- As used in this act:

12 (1) "Applicant" means a developer or occupant applying for a loan or conditional loan
13 under this chapter.

14 (2) "Business" means a corporation as defined in general laws § 44-11-1(4), or is a
15 partnership, an S corporation, a non-profit corporation, sole proprietorship or a limited liability
16 corporation.

17 (3) "Capital investment" in a redevelopment project means costs or expenses by a
18 business or any affiliate of the business incurred after application for:

19 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
20 furnishing on real property or of a building, structure, facility, or improvement to real property;

21 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment,
22 including but not limited to material goods for the operation of a business on real property or in a
23 building, structure, facility, or improvement to real property.

24 (4) "Commission" means the I-195 district commission.

25 (5) "Developer" means a person, firm, corporation, partnership, association, political
26 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
27 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves
28 land or existing structures, which division, building, or improvement of land qualifies for benefits
29 under this chapter.

30 (6) "I-195 land" means the surplus land within the city of Providence owned by the I-195
31 district commission and ~~the area within a one quarter mile radius of the outermost boundary of~~
32 ~~said surplus land as further delineated by regulation of the commission.~~ any other property any
33 portion of which abuts, is located across the street from, or is within five hundred feet (500') of
34 said surplus land.

1 (7) "Occupant" means a business as a tenant, owner, or joint venture partner, occupying
2 space pursuant to a lease or other occupancy agreement on the I-195 land or a project developed
3 on such land.

4 (8) "Personal property" means furniture, fixtures and equipment, except automobiles,
5 trucks or other motor vehicles, or materials that otherwise are depreciable and have a useful life
6 of one year or more, that are utilized for the redevelopment project for any given phase of the
7 redevelopment project inclusive of a period not to exceed six (6) months after receipt of a
8 certificate of occupancy for the given phase of the development.

9 (9) "Project cost" means the costs incurred in connection with a project by an applicant
10 until the issuance of a permanent certificate of occupancy, or until such other time specified by
11 the commerce corporation.

12 (10) "Project financing gap" means

13 (i) the part of the total project cost that remains to be financed after all other sources of
14 capital have been accounted for (such sources will include, but not be limited to, developer-
15 contributed capital), which shall be defined through rules and regulations promulgated by the
16 commerce corporation, or

17 (ii) the amount of funds that the state may invest in a project to gain a competitive
18 advantage over a viable and comparable location in another state by means described in this
19 chapter.

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

21

1

ARTICLE 18 AS AMENDED

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RELATING TO EFFECTIVE DATE

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SECTION 1. This act shall take effect as of July 1, 2016, except as otherwise provided

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herein.

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SECTION 2. This article shall take effect upon passage.

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