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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

Introduced By: Representative Marvin L. Abney

Date Introduced: January 17, 2019

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 2020
- 2 ARTICLE 2 RELATING TO STATE FUNDS
- 3 ARTICLE 3 RELATING TO GOVERNMENT REFORM
- 4 ARTICLE 4 RELATING TO GOVERNMENT REORGANIZATION
- 5 ARTICLE 5 RELATING TO TAXES, REVENUE AND FEES
- 6 ARTICLE 6 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
- 7 ARTICLE 7 RELATING TO MOTOR VEHICLES
- 8 ARTICLE 8 RELATING TO TRANSPORTATION
- 9 ARTICLE 9 RELATING TO LOCAL AID
- 10 ARTICLE 10 RELATING TO UNIVERSAL PREKINDERGARTEN
- 11 ARTICLE 11 RELATING TO RHODE ISLAND PROMISE
- 12 ARTICLE 12 RELATING TO ECONOMIC DEVELOPMENT
- 13 ARTICLE 13 RELATING TO MINIMUM WAGES
- 14 ARTICLE 14 RELATING TO HEALTHCARE MARKET STABILITY
- 15 ARTICLE 15 RELATING TO CHILDREN AND FAMILIES
- 16 ARTICLE 16 RELATING TO MEDICAL ASSISTANCE
- 17 ARTICLE 17 RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION
- 18 ARTICLE 18 RELATING TO HOSPITAL UNCOMPENSATED CARE
- 19 ARTICLE 19 RELATING TO LICENSING OF HOSPITAL FACILITIES

- 1 ARTICLE 20 RELATING TO MARIJUANA
- 2 ARTICLE 21 RELATING TO EFFECTIVE DATE

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ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

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, 2020. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

Administration

Central Management

General Revenues	2,669,232
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Legal Services

General Revenues	2,399,876
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Federal Funds	105,536
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Total – Legal Services	2,505,412
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Accounts and Control

General Revenues	5,412,043
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Restricted Receipts	149,966
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Total – Accounts and Control	5,562,009
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Office of Management and Budget

General Revenues	8,220,142
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Restricted Receipts	300,000
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Other Funds	1,321,384
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Total – Office of Management and Budget	9,841,526
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Purchasing

General Revenues	3,443,947
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Restricted Receipts	459,389
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Other Funds	503,353
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Total – Purchasing	4,406,689
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Human Resources

General Revenues	788,541
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1	<i>Personnel Appeal Board</i>	
2	General Revenues	151,521
3	<i>Information Technology</i>	
4	General Revenues	1,647,418
5	Federal Funds	114,000
6	Restricted Receipts	6,622,092
7	Total – Information Technology	8,383,510
8	<i>Library and Information Services</i>	
9	General Revenues	1,457,501
10	Federal Funds	1,155,921
11	Restricted Receipts	1,404
12	Total – Library and Information Services	2,614,826
13	<i>Planning</i>	
14	General Revenues	736,706
15	Federal Funds	15,448
16	Other Funds	
17	Air Quality Modeling	24,000
18	Federal Highway – PL Systems Planning	3,775,979
19	FTA – Metro Planning Grant	1,107,450
20	Total – Planning	5,659,583
21	<i>General</i>	
22	General Revenues	
23	Miscellaneous Grants/Payments	130,000
24	Provided that this amount be allocated to City Year for the Whole School Whole Child	
25	Program, which provides individualized support to at-risk students.	
26	Torts – Courts/Awards	400,000
27	Resource Sharing and State Library Aid	9,362,072
28	Library Construction Aid	1,937,230
29	Restricted Receipts	700,000
30	Other Funds	
31	Rhode Island Capital Plan Funds	
32	Security Measures State Buildings	500,000
33	Energy Efficiency Improvements	500,000
34	Cranston Street Armory	500,000

1	State House Renovations	1,301,684
2	Zambarano Building Rehabilitation	3,720,000
3	Replacement of Fueling Tanks	330,000
4	Environmental Compliance	200,000
5	Big River Management Area	100,000
6	Pastore Center Buildings Demolition	1,000,000
7	Veterans Memorial Auditorium	90,000
8	Shepard Building	1,000,000
9	Pastore Center Water Tanks & Pipes	280,000
10	RI Convention Center Authority	5,500,000
11	Dunkin Donuts Center	1,500,000
12	Board of Elections (Medical Examiner)	6,000,000
13	Pastore Center Power Plant Rehabilitation	750,000
14	Accessibility – Facility Renovations	1,000,000
15	DoIT Operations System	1,000,000
16	BHDDH DD & Community Facilities – Asset Protection	200,000
17	BHDDH DD & Community Homes – Fire Code	350,000
18	BHDDH DD Regional Facilities – Asset Protection	300,000
19	BHDDH Group Homes	500,000
20	Expo Center (Springfield)	250,000
21	Hospital Consolidation	12,430,000
22	McCoy Stadium	200,000
23	Pastore Center Master Plan	2,000,000
24	South County Capital Projects	450,000
25	Capitol Hill Campus Projects	4,125,000
26	Pastore Center Campus Projects	7,587,888
27	Total – General	66,193,874
28	<i>Debt Service Payments</i>	
29	General Revenues	163,687,862
30	Out of the general revenue appropriations for debt service, the General Treasurer is	
31	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
32	maximum debt service due in accordance with the loan agreement.	
33	Federal Funds	1,870,830
34	Other Funds	

1	Transportation Debt Service	36,322,259
2	Investment Receipts – Bond Funds	100,000
3	Total - Debt Service Payments	201,980,951
4	<i>Energy Resources</i>	
5	Federal Funds	786,674
6	Restricted Receipts	7,817,428
7	Total – Energy Resources	8,604,102
8	<i>Rhode Island Health Benefits Exchange</i>	
9	General Revenues	2,755,841
10	Restricted Receipts	7,447,556
11	Total – Rhode Island Health Benefits Exchange	10,203,397
12	<i>Office of Diversity, Equity & Opportunity</i>	
13	General Revenues	1,304,197
14	Other Funds	122,303
15	Total – Office of Diversity, Equity & Opportunity	1,426,500
16	<i>Capital Asset Management and Maintenance</i>	
17	General Revenues	9,817,305
18	<i>Statewide Savings Initiatives</i>	
19	General Revenues	
20	Fraud and Waste Detection	(4,200,000)
21	Injured-on-Duty Savings	(1,657,000)
22	Overtime Savings	(1,000,000)
23	Statewide Efficiency Commission	(10,000,000)
24	Total – Statewide Savings Initiative	(16,857,000)
25	Grand Total – Administration	323,951,978
26	Business Regulation	
27	<i>Central Management</i>	
28	General Revenues	2,529,586
29	<i>Banking Regulation</i>	
30	General Revenues	1,659,819
31	Restricted Receipts	75,000
32	Total – Banking Regulation	1,734,819
33	<i>Securities Regulation</i>	
34	General Revenues	1,083,495

1	Restricted Receipts	15,000
2	Total – Securities Regulation	1,098,495
3	<i>Insurance Regulation</i>	
4	General Revenues	3,919,342
5	Restricted Receipts	2,011,929
6	Total – Insurance Regulation	5,931,271
7	<i>Office of the Health Insurance Commissioner</i>	
8	General Revenues	1,747,106
9	Federal Funds	386,854
10	Restricted Receipts	478,223
11	Total – Office of the Health Insurance Commissioner	2,612,183
12	<i>Board of Accountancy</i>	
13	General Revenues	5,883
14	<i>Commercial Licensing and Gaming and Athletics Licensing</i>	
15	General Revenues	976,519
16	Restricted Receipts	950,957
17	Total – Commercial Licensing, Racing & Athletics	1,927,476
18	<i>Building, Design and Fire Professionals</i>	
19	General Revenues	6,586,406
20	Federal Funds	378,840
21	Restricted Receipts	2,021,456
22	Other Funds	
23	Quonset Development Corporation	71,199
24	Rhode Island Capital Plan Funds	
25	Fire Academy	310,000
26	Total – Building, Design and Fire Professionals	9,367,901
27	<i>Office of Cannabis Regulation</i>	
28	Restricted Receipts	5,562,901
29	Grand Total – Business Regulation	30,770,515
30	Executive Office of Commerce	
31	<i>Central Management</i>	
32	General Revenues	921,663
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	Site Readiness	1,000,000
2	Total – Central Management	1,921,663
3	<i>Housing and Community Development</i>	
4	General Revenues	841,208
5	Federal Funds	17,611,003
6	Restricted Receipts	4,754,319
7	Total – Housing and Community Development	23,206,530
8	<i>Quasi–Public Appropriations</i>	
9	General Revenues	
10	Rhode Island Commerce Corporation	7,589,906
11	Airport Impact Aid	762,500
12	Sixty percent (60%) of the funds appropriated for airport impact aid shall be distributed	
13	to each airport serving more than 1,000,000 passengers based upon its percentage of the total	
14	passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%) of	
15	the funds appropriated shall be distributed based on the share of landings during the calendar year	
16	2019 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset	
17	Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce	
18	Corporation shall make an impact payment to the towns or cities in which the airport is located	
19	based on this calculation. Each community upon which any part of the above airports is located	
20	shall receive an equal share of the payment associated with that airport.	
21	STAC Research Alliance	900,000
22	Innovative Matching Grants/Internships	1,000,000
23	I-195 Redevelopment District Commission	761,000
24	Chafee Center at Bryant	476,200
25	Polaris Manufacturing Grant	350,000
26	Pay For Success	500,000
27	Other Funds	
28	Rhode Island Capital Plan Funds	
29	I-195 Commission	450,000
30	Quonset Piers	5,000,000
31	Quonset Point Infrastructure	4,000,000
32	Total – Quasi–Public Appropriations	21,789,606
33	<i>Economic Development Initiatives Fund</i>	
34	General Revenues	

1	Innovation Initiative	1,000,000
2	I-195 Redevelopment Fund	1,000,000
3	Rebuild RI Tax Credit Fund	15,000,000
4	Competitive Cluster Grants	100,000
5	P-tech	200,000
6	Small Business Promotion	300,000
7	Small Business Assistance	750,000
8	Total – Economic Development Initiatives Fund	18,350,000
9	<i>Commerce Programs</i>	
10	General Revenues	
11	Wavemaker Fellowship	1,200,000
12	40 th Portal	1,450,000
13	Streamline and Simplify	262,724
14	Total – Commerce Programs	2,912,724
15	Grand Total – Executive Office of Commerce	68,180,523
16	Labor and Training	
17	<i>Central Management</i>	
18	General Revenues	797,120
19	Restricted Receipts	222,508
20	Total – Central Management	1,019,628
21	<i>Workforce Development Services</i>	
22	General Revenues	6,276,757
23	Provided that \$100,000 be allocated to support the Opportunities Industrialization Center.	
24	Federal Funds	25,729,383
25	Restricted Receipts	17,247,532
26	Other Funds	197,142
27	Total – Workforce Development Services	49,450,814
28	<i>Workforce Regulation and Safety</i>	
29	General Revenues	3,231,560
30	<i>Income Support</i>	
31	General Revenues	5,066,681
32	Federal Funds	14,259,697
33	Restricted Receipts	4,409,670
34	Other Funds	

1	Temporary Disability Insurance Fund	203,094,524
2	Employment Security Fund	162,735,000
3	Total – Income Support	389,565,572
4	<i>Injured Workers Services</i>	
5	Restricted Receipts	10,573,722
6	<i>Labor Relations Board</i>	
7	General Revenues	441,669
8	Grand Total – Labor and Training	454,282,965
9	Department of Revenue	
10	<i>Director of Revenue</i>	
11	General Revenues	2,141,620
12	<i>Office of Revenue Analysis</i>	
13	General Revenues	841,407
14	<i>Lottery Division</i>	
15	Other Funds	420,149,414
16	<i>Municipal Finance</i>	
17	General Revenues	1,722,673
18	<i>Taxation</i>	
19	General Revenues	31,438,000
20	Federal Funds	0
21	Restricted Receipts	790,184
22	Other Funds	
23	Motor Fuel Tax Evasion	172,961
24	Total – Taxation	32,401,145
25	<i>Registry of Motor Vehicles</i>	
26	General Revenues	24,834,484
27	Federal Funds	545,243
28	Restricted Receipts	2,834,763
29	Other Funds	
30	DMV – HMA Transfer from DOT	4,534,968
31	Total – Registry of Motor Vehicles	32,749,458
32	<i>State Aid</i>	
33	General Revenues	
34	Distressed Communities Relief Fund	12,384,458

1	Payment in Lieu of Tax Exempt Properties	40,830,409
2	Motor Vehicle Excise Tax Payments	77,989,394
3	Property Revaluation Program	688,856
4	Restricted Receipts	922,013
5	Total – State Aid	132,815,130
6	<i>Collections</i>	
7	General Revenues	899,649
8	Grand Total – Revenue	623,720,496
9	Legislature	
10	General Revenues	44,754,101
11	Restricted Receipts	1,832,014
12	Grand Total – Legislature	46,586,115
13	Lieutenant Governor	
14	General Revenues	1,147,816
15	Secretary of State	
16	<i>Administration</i>	
17	General Revenues	3,675,528
18	<i>Corporations</i>	
19	General Revenues	2,191,898
20	<i>State Archives</i>	
21	General Revenues	112,670
22	Restricted Receipts	426,672
23	Total – State Archives	539,342
24	<i>Elections and Civics</i>	
25	General Revenues	2,117,101
26	Federal Funds	1,016,230
27	Total – Elections and Civics	3,133,331
28	<i>State Library</i>	
29	General Revenues	683,490
30	Provided that \$125,000 be allocated to support the Rhode Island Historical Society	
31	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the	
32	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.	
33	<i>Office of Public Information</i>	
34	General Revenues	452,568

1	Receipted Receipts	25,000
2	Total – Office of Public Information	477,568
3	Grand Total – Secretary of State	10,701,157
4	General Treasurer	
5	<i>Treasury</i>	
6	General Revenues	2,643,533
7	Federal Funds	287,818
8	Other Funds	
9	Temporary Disability Insurance Fund	249,940
10	Tuition Savings Program – Administration	413,319
11	Total –Treasury	3,595,210
12	<i>State Retirement System</i>	
13	Restricted Receipts	
14	Admin Expenses – State Retirement System	9,898,528
15	Retirement – Treasury Investment Operations	1,838,053
16	Defined Contribution – Administration	231,632
17	Total – State Retirement System	11,968,213
18	<i>Unclaimed Property</i>	
19	Restricted Receipts	24,912,844
20	<i>Crime Victim Compensation Program</i>	
21	General Revenues	394,018
22	Federal Funds	711,156
23	Restricted Receipts	636,944
24	Total – Crime Victim Compensation Program	1,742,118
25	Grand Total – General Treasurer	42,218,385
26	Board of Elections	
27	General Revenues	2,462,583
28	Rhode Island Ethics Commission	
29	General Revenues	1,845,298
30	Office of Governor	
31	General Revenues	
32	General Revenues	6,243,211
33	Contingency Fund	250,000
34	Grand Total – Office of Governor	6,493,211

1	Commission for Human Rights	
2	General Revenues	1,353,591
3	Federal Funds	563,414
4	Grand Total – Commission for Human Rights	1,917,005
5	Public Utilities Commission	
6	Federal Funds	178,002
7	Restricted Receipts	12,034,581
8	Grand Total – Public Utilities Commission	12,212,583
9	Office of Health and Human Services	
10	<i>Central Management</i>	
11	General Revenues	30,406,442
12	Of this appropriation, \$115,310 is to increase the Medicaid program’s contribution to the	
13	per-member/per-month payment to RI Quality Institute for operation of the statewide Health	
14	Information Exchange, \$120,000 is for upgrades to the Health Information Exchange	
15	infrastructure, and \$100,000 is for the state share of financing for continued operation of the	
16	statewide clinical quality measurement system developed using federal funding from the State	
17	Innovation Models (SIM) Initiative. Each of the aforementioned appropriations is subject to the	
18	approval of the Secretary of the Executive Office of Health and Human Services and the Director	
19	of the Office of Management and Budget prior to being obligated.	
20	Federal Funds	145,779,469
21	Of this appropriation, \$1,037,790 is to increase the Medicaid program’s contribution to	
22	the per-member/per-month payment to RI Quality Institute for operation of the statewide Health	
23	Information Exchange, \$1,080,000 is for upgrades to the Health Information Exchange	
24	infrastructure, and \$900,000 is for financing the continued operation of the statewide clinical	
25	quality measurement system developed using federal funding from the State Innovation Models	
26	(SIM) Initiative. Each of the aforementioned appropriations is subject to the approval of the	
27	Secretary of the Executive Office of Health and Human Services and the Director of the Office of	
28	Management and Budget prior to being obligated.	
29	Restricted Receipts	15,711,366
30	Total – Central Management	191,897,277
31	<i>Medical Assistance</i>	
32	General Revenues	
33	Managed Care	315,464,320
34	Hospitals	88,057,080

1	Nursing Facilities	164,773,740
2	Home and Community Based Services	41,837,041
3	Other Services	95,137,990
4	Pharmacy	74,760,160
5	Rhody Health	188,776,008
6	Federal Funds	
7	Managed Care	412,424,941
8	Hospitals	99,508,398
9	Nursing Facilities	184,767,499
10	Home and Community Based Services	46,913,576
11	Other Services	518,168,339
12	Pharmacy	(572,412)
13	Rhody Health	208,722,749
14	Other Programs	43,038,580
15	Restricted Receipts	9,024,205
16	Total – Medical Assistance	2,490,802,214
17	<i>Elderly Affairs</i>	
18	General Revenues	8,421,239
19	Of this amount, \$140,000 to provide elder services, including respite, through the	
20	Diocese of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term	
21	Care in accordance with Rhode Island General Law, Chapter 42-66.7, \$85,000 for security for	
22	housing for the elderly in accordance with Rhode Island General Law, Section 42-66.1-3,	
23	\$800,000 for Senior Services Support and \$580,000 for elderly nutrition, of which \$530,000 is for	
24	Meals on Wheels.	
25	Federal Funds	13,511,791
26	Restricted Receipts	172,609
27	Total – Elderly Affairs	22,105,639
28	<i>Office of Veterans' Affairs</i>	
29	General Revenues	25,831,689
30	Of this amount, \$400,000 to provide support services through Veterans' Organizations.	
31	Federal Funds	13,459,517
32	Restricted Receipts	1,000,000
33	Total – Office of Veterans' Affairs	40,291,206
34	Grand Total – Office of Health and Human Services	2,745,096,336

1	Children, Youth, and Families	
2	<i>Central Management</i>	
3	General Revenues	10,944,609
4	Federal Funds	3,729,331
5	Total – Central Management	14,673,940
6	<i>Children's Behavioral Health Services</i>	
7	General Revenues	7,185,060
8	Federal Funds	6,313,808
9	Total – Children's Behavioral Health Services	13,498,868
10	<i>Juvenile Correctional Services</i>	
11	General Revenues	22,361,978
12	Federal Funds	184,338
13	Other Funds	
14	Rhode Island Capital Plan Funds	
15	Training School Maintenance	1,500,000
16	Training School Generators	425,000
17	Total – Juvenile Correctional Services	24,499,991
18	<i>Child Welfare</i>	
19	General Revenues	
20	General Revenues	126,119,254
21	18 to 21 Year Olds	452,521
22	Federal Funds	47,287,733
23	Restricted Receipts	1,858,882
24	Total – Child Welfare	175,718,390
25	<i>Higher Education Incentive Grants</i>	
26	General Revenues	200,000
27	Grand Total – Children, Youth, and	
28	Families	228,591,189
29	Health	
30	<i>Central Management</i>	
31	General Revenues	3,644,060
32	Federal Funds	4,318,002
33	Restricted Receipts	6,758,617
34	Total – Central Management	14,720,679

1	<i>Community Health and Equity</i>	
2	General Revenues	1,673,497
3	Federal Funds	68,573,339
4	Restricted Receipts	38,176,076
5	Total – Community Health and Equity	108,422,912
6	<i>Environmental Health</i>	
7	General Revenues	5,631,319
8	Federal Funds	7,433,183
9	Restricted Receipts	625,138
10	Total – Environmental Health	13,689,640
11	<i>Health Laboratories and Medical Examiner</i>	
12	General Revenues	10,733,047
13	Federal Funds	2,012,392
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	Laboratory Equipment	400,000
17	Total – Health Laboratories and Medical Examiner	13,145,439
18	<i>Customer Services</i>	
19	General Revenues	7,636,027
20	Federal Funds	4,064,441
21	Restricted Receipts	1,405,836
22	Total – Customer Services	13,106,304
23	<i>Policy, Information and Communications</i>	
24	General Revenues	924,067
25	Federal Funds	3,238,593
26	Restricted Receipts	3,008,897
27	Total – Policy, Information and Communications	7,171,557
28	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
29	General Revenues	1,998,023
30	Federal Funds	16,362,030
31	Total – Preparedness, Response, Infectious Disease &	
32	Emergency Services	18,360,053
33	Grand Total - Health	188,616,584
34	Human Services	

1	<i>Central Management</i>	
2	General Revenues	4,796,879
3	Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to	
4	provide direct services through the Coalition Against Domestic Violence, \$250,000 is to support	
5	Project Reach activities provided by the RI Alliance of Boys and Girls Clubs, \$217,000 is for	
6	outreach and supportive services through Day One, \$175,000 is for food collection and	
7	distribution through the Rhode Island Community Food Bank, \$500,000 for services provided to	
8	the homeless at Crossroads Rhode Island, and \$520,000 for the Community Action Fund and	
9	\$200,000 for the Institute for the Study and Practice of Nonviolence's Reduction Strategy.	
10	Federal Funds	4,987,351
11	Total – Central Management	9,784,230
12	<i>Child Support Enforcement</i>	
13	General Revenues	2,822,190
14	Federal Funds	6,926,373
15	Total – Child Support Enforcement	9,748,563
16	<i>Individual and Family Support</i>	
17	General Revenues	31,647,539
18	Federal Funds	113,324,185
19	Restricted Receipts	11,918,988
20	Other Funds	
21	Food Stamp Bonus Funding	170,000
22	Intermodal Surface Transportation Fund	4,428,478
23	Rhode Island Capital Plan Funds	
24	Blind Vending Facilities	165,000
25	Total – Individual and Family Support	161,654,190
26	<i>Health Care Eligibility</i>	
27	General Revenues	2,608,841
28	Federal Funds	10,792,058
29	Total – Health Care Eligibility	13,400,899
30	<i>Supplemental Security Income Program</i>	
31	General Revenues	20,169,608
32	<i>Rhode Island Works</i>	
33	General Revenues	11,716,905
34	Federal Funds	92,933,110

1	Total – Rhode Island Works	104,650,015
2	<i>Other Programs</i>	
3	General Revenues	1,133,280
4	Of this appropriation, \$90,000 shall be used for hardship contingency payments.	
5	Federal Funds	265,157,901
6	Total – Other Programs	266,291,181
7	Grand Total – Human Services	585,698,686
8	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
9	<i>Central Management</i>	
10	General Revenues	3,495,795
11	Federal Funds	1,316,004
12	Total – Central Management	4,811,799
13	<i>Hospital and Community System Support</i>	
14	General Revenues	2,241,946
15	Federal Funds	23,377
16	Total – <i>Hospital and Community System Support</i>	2,265,323
17	<i>Services for the Developmentally Disabled</i>	
18	General Revenues	131,370,111
19	Of this general revenue funding, \$3.0 million shall be expended on certain community-	
20	based BHDDH developmental disability private provider and self-directed consumer direct care	
21	service worker raises and associated payroll costs as authorized by the Department of Behavioral	
22	Healthcare, Developmental Disabilities and Hospitals. Any increases for direct support staff in	
23	residential or other community-based settings must first receive the approval of the Office of	
24	Management and Budget and the Executive Office of Health and Human Services.	
25	Of this general revenue funding, \$750,000 is to support technical and other assistance for	
26	community-based agencies to ensure they transition to providing integrated services to adults	
27	with developmental disabilities that comply with the consent decree.	
28	Federal Funds	147,498,685
29	Of this funding, \$841,006 is to support technical and other assistance for community-	
30	based agencies to ensure they transition to providing integrated services to adults with	
31	developmental disabilities that comply with the consent decree.	
32	Restricted Receipts	1,525,800
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	DD Residential Development	500,000
2	Total – Services for the Developmentally Disabled	280,894,596
3	<i>Behavioral Healthcare Services</i>	
4	General Revenues	3,177,675
5	Federal Funds	34,042,755
6	Of this federal funding, \$900,000 shall be expended on the Municipal Substance	
7	Abuse Task Forces and \$128,000 shall be expended on NAMI of RI. Also included is	
8	\$250,000 from Social Services Block Grant funds and/or the Mental Health Block Grant funds to	
9	be provided to The Providence Center to coordinate with Oasis Wellness and Recovery Center for	
10	its supports and services program offered to individuals with behavioral health issues.	
11	Restricted Receipts	149,600
12	Other Funds	
13	Rhode Island Capital Plan Funds	
14	Substance Abuse Asset Protection	350,000
15	Total – Behavioral Healthcare Services	37,720,030
16	<i>Hospital and Community Rehabilitative Services</i>	
17	General Revenues	55,007,785
18	Federal Funds	63,058,216
19	Restricted Receipts	4,412,947
20	Other Funds	
21	Rhode Island Capital Plan Funds	
22	Hospital Equipment	300,000
23	Total - Hospital and Community Rehabilitative Services	122,778,948
24	Grand Total – Behavioral Healthcare, Developmental	
25	Disabilities, and Hospitals	448,470,696
26	Office of the Child Advocate	
27	General Revenues	986,701
28	Federal Funds	247,356
29	Grand Total – Office of the Child Advocate	1,234,057
30	Commission on the Deaf and Hard of Hearing	
31	General Revenues	563,338
32	Restricted Receipts	130,000
33	Grand Total – Comm. On Deaf and Hard of Hearing	693,338
34	Governor’s Commission on Disabilities	

1	General Revenues	
2	General Revenues	555,672
3	Livable Home Modification Grant Program	499,397
4	Provided that this will be used for home modification and accessibility	
5	enhancements to construct, retrofit, and/or renovate residences to allow individuals to remain in	
6	community settings. This will be in consultation with the Executive Office of Health and Human	
7	Services.	
8	Federal Funds	458,689
9	Restricted Receipts	44,901
10	Total – Governor’s Commission on Disabilities	1,558,659
11	Office of the Mental Health Advocate	
12	General Revenues	602,411
13	Elementary and Secondary Education	
14	<i>Administration of the Comprehensive Education Strategy</i>	
15	General Revenues	21,629,338
16	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s	
17	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$345,000 be allocated	
18	to support child opportunity zones through agreements with the Department of Elementary and	
19	Secondary Education to strengthen education, health and social services for students and their	
20	families as a strategy to accelerate student achievement.	
21	Provided further that \$590,000 shall be allocated to further support improving students’	
22	mental health by investing in classroom-based intervention through teacher and staff training and	
23	professional development.	
24	Federal Funds	211,637,474
25	Restricted Receipts	
26	Restricted Receipts	3,155,409
27	HRIC Adult Education Grants	3,500,000
28	Total – Admin. of the Comprehensive Ed. Strategy	239,922,221
29	<i>Davies Career and Technical School</i>	
30	General Revenues	13,694,981
31	Federal Funds	1,416,084
32	Restricted Receipts	3,784,140
33	Other Funds	
34	Operational Transfers to Davies	100,000

1	Rhode Island Capital Plan Funds	
2	Davies HVAC	700,000
3	Davies Asset Protection	150,000
4	Total – Davies Career and Technical School	19,845,205
5	<i>RI School for the Deaf</i>	
6	General Revenues	6,701,193
7	Federal Funds	506,048
8	Restricted Receipts	837,032
9	Other Funds	
10	School for the Deaf Transformation Grants	59,000
11	Rhode Island Capital Plan Funds	
12	Asset Protection	50,000
13	Total – RI School for the Deaf	8,153,273
14	<i>Metropolitan Career and Technical School</i>	
15	General Revenues	9,342,007
16	Other Funds	
17	Rhode Island Capital Plan Funds	
18	MET School Asset Protection	250,000
19	Total – Metropolitan Career and Technical School	9,592,007
20	<i>Education Aid</i>	
21	General Revenues	951,046,281
22	Restricted Receipts	26,283,985
23	Other Funds	
24	Permanent School Fund	500,000
25	Provided that \$500,000 be provided to support the Advanced Coursework Network.	
26	Total – Education Aid	977,830,266
27	<i>Central Falls School District</i>	
28	General Revenues	41,087,651
29	<i>School Construction Aid</i>	
30	General Revenues	
31	School Housing Aid	78,984,971
32	School Building Authority Fund	1,015,029
33	Total – School Construction Aid	80,000,000
34	<i>Teachers' Retirement</i>	

1	General Revenues	112,337,502
2	Grand Total – Elementary and Secondary Education	1,488,768,125
3	Public Higher Education	
4	<i>Office of Postsecondary Commissioner</i>	
5	General Revenues	18,176,011
6	Provided that \$355,000 shall be allocated the Rhode Island College Crusade pursuant to	
7	the Rhode Island General Law, Section 16-70-5 and that \$60,000 shall be allocated to Best	
8	Buddies Rhode Island to support its programs for children with developmental and intellectual	
9	disabilities. It is also provided that \$5,995,000 shall be allocated to the Rhode Island Promise	
10	Scholarship program.	
11	Federal Funds	
12	Federal Funds	3,600,000
13	Guaranty Agency Administration	400,000
14	Guaranty Agency Operating Fund-Scholarships & Grants	5,507,013
15	Rhode Island Promise – Available Reserves	5,346,128
16	Provided that \$2,046,128 shall be allocated to the Adult Promise Scholarship at	
17	the Community College of Rhode Island, and that \$3,300,000 shall support the Rhode Island	
18	College Promise program.	
19	Restricted Receipts	2,752,977
20	Other Funds	
21	Tuition Savings Program – Dual Enrollment	2,300,000
22	Tuition Savings Program – Scholarships and Grants	2,500,000
23	Nursing Education Center – Operating	3,034,680
24	Rhode Island Capital Plan Funds	
25	Higher Education Centers	2,000,000
26	Provided that the state fund no more than 50.0 percent of the total project	
27	cost.	
28	Asset Protection	341,000
29	Total – Office of Postsecondary Commissioner	45,957,809
30	<i>University of Rhode Island</i>	
31	General Revenues	
32	General Revenues	83,390,529
33	Provided that in order to leverage federal funding and support economic development,	
34	\$350,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be	

1 allocated to Special Olympics Rhode Island to support its mission of providing athletic
2 opportunities for individuals with intellectual and developmental disabilities.

3	Debt Service	30,535,395	
4	RI State Forensics Laboratory	1,299,182	
5	Other Funds		
6	University and College Funds	677,435,028	
7	Debt – Dining Services	1,062,129	
8	Debt – Education and General	4,830,975	
9	Debt – Health Services	792,955	
10	Debt – Housing Loan Funds	12,867,664	Debt – M
11	Debt – Ryan Center	2,393,006	
12	Debt – Alton Jones Services	102,525	
13	Debt – Parking Authority	1,126,020	
14	Debt – Restricted Energy Conservation	521,653	
15	Debt – URI Energy Conservation	2,103,157	
16	Rhode Island Capital Plan Funds		
17	Asset Protection	8,326,839	
18	Fine Arts Center Renovation	7,070,064	
19	Total – University of Rhode Island	834,180,130	

20 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
21 unencumbered balances as of June 30, 2020 relating to the University of Rhode Island are hereby
22 reappropriated to fiscal year 2021.

23 *Rhode Island College*

24	General Revenues		
25	General Revenues	50,339,615	
26	Debt Service	6,180,718	
27	Other Funds		
28	University and College Funds	132,924,076	
29	Debt – Education and General	880,433	
30	Debt – Housing	366,667	
31	Debt – Student Center and Dining	153,428	
32	Debt – Student Union	206,000	
33	Debt – G.O. Debt Service	1,642,121	
34	Debt Energy Conservation	635,275	

1	Rhode Island Capital Plan Funds	
2	Asset Protection	3,669,050
3	Infrastructure Modernization	3,000,000
4	Academic Building Phase I	2,000,000
5	Total – Rhode Island College	201,997,383
6	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
7	unencumbered balances as of June 30, 2020 relating to Rhode Island College are hereby	
8	reappropriated to fiscal year 2021.	
9	<i>Community College of Rhode Island</i>	
10	General Revenues	
11	General Revenues	52,483,378
12	Debt Service	1,898,030
13	Restricted Receipts	633,400
14	Other Funds	
15	University and College Funds	104,605,016
16	CCRI Debt Service – Energy Conservation	805,312
17	Rhode Island Capital Plan Funds	
18	Asset Protection	2,439,076
19	Knight Campus Lab Renovation	1,300,000
20	Knight Campus Renewal	3,500,000
21	Data, Cabling, and Power Infrastructure	500,000
22	Total – Community College of RI	168,164,212
23	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
24	unencumbered balances as of June 30, 2020 relating to the Community College of Rhode Island	
25	are hereby reappropriated to fiscal year 2021.	
26	Grand Total – Public Higher Education	1,250,299,534
27	RI State Council on the Arts	
28	General Revenues	
29	Operating Support	839,748
30	Grants	1,245,000
31	Provided that \$375,000 be provided to support the operational costs of WaterFire	
32	Providence art installations.	
33	Federal Funds	762,500
34	Restricted Receipts	5,000

1	Other Funds	
2	Art for Public Facilities	626,000
3	Grand Total – RI State Council on the Arts	3,478,248
4	RI Atomic Energy Commission	
5	General Revenues	1,059,094
6	Restricted Receipts	99,000
7	Other Funds	
8	URI Sponsored Research	287,000
9	Rhode Island Capital Plan Funds	
10	RINSC Asset Protection	50,000
11	Grand Total – RI Atomic Energy Commission	1,495,094
12	RI Historical Preservation and Heritage Commission	
13	General Revenues	1,488,293
14	Provided that \$30,000 support the operational costs of the Fort Adam Trust’s restoration	
15	activities.	
16	Federal Funds	557,028
17	Restricted Receipts	421,439
18	Other Funds	
19	RIDOT Project Review	128,570
20	Grand Total – RI Historical Preservation and Heritage Comm.	2,595,330
21	Attorney General	
22	<i>Criminal</i>	
23	General Revenues	17,969,266
24	Federal Funds	3,552,999
25	Restricted Receipts	144,335
26	Total – Criminal	21,666,600
27	<i>Civil</i>	
28	General Revenues	5,595,839
29	Restricted Receipts	765,181
30	Total – Civil	6,361,020
31	<i>Bureau of Criminal Identification</i>	
32	General Revenues	1,769,535
33	<i>General</i>	
34	General Revenues	3,340,563

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Building Renovations and Repairs	150,000
4	Total – General	3,490,563
5	Grand Total – Attorney General	33,287,718
6	Corrections	
7	<i>Central Management</i>	
8	General Revenues	16,642,761
9	Federal Funds	44,649
10	Total – Central Management	16,687,410
11	<i>Parole Board</i>	
12	General Revenues	1,501,549
13	Federal Funds	116,872
14	Total – Parole Board	1,618,421
15	<i>Custody and Security</i>	
16	General Revenues	141,066,001
17	Federal Funds	796,727
18	Total – Custody and Security	141,862,728
19	<i>Institutional Support</i>	
20	General Revenues	21,557,913
21	Other Funds	
22	Rhode Island Capital Plan Funds	
23	Asset Protection	12,754,000
24	Total – Institutional Support	34,311,913
25	<i>Institutional Based Rehab./Population Management</i>	
26	General Revenues	14,203,252
27	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender	
28	discharge planning.	
29	Federal Funds	844,026
30	Restricted Receipts	44,473
31	Total – Institutional Based Rehab/Population Mgt.	15,091,751
32	<i>Healthcare Services</i>	
33	General Revenues	25,821,609
34	<i>Community Corrections</i>	

1	General Revenues	17,312,125
2	Federal Funds	84,437
3	Restricted Receipts	14,896
4	Total – Community Corrections	17,411,458
5	Grand Total – Corrections	252,805,290
6	Judiciary	
7	<i>Supreme Court</i>	
8	General Revenues	
9	General Revenues	30,361,862
10	Provided however, that no more than \$1,183,205 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	4,403,487
18	Federal Funds	133,759
19	Restricted Receipts	3,603,699
20	Other Funds	
21	Rhode Island Capital Plan Funds	
22	Judicial Complexes - HVAC	1,000,000
23	Judicial Complexes Asset Protection	1,000,000
24	Judicial Complexes Fan Coil Replacements	500,000
25	Licht Chillers Replacement	1,200,000
26	Licht Judicial Complex Restoration	750,000
27	Total - Supreme Court	42,952,807
28	<i>Judicial Tenure and Discipline</i>	
29	General Revenues	154,616
30	<i>Superior Court</i>	
31	General Revenues	25,020,009
32	Federal Funds	33,500
33	Restricted Receipts	400,983
34	Total – Superior Court	25,454,492

1	<i>Family Court</i>	
2	General Revenues	22,958,064
3	Federal Funds	2,977,481
4	Total – Family Court	25,935,545
5	<i>District Court</i>	
6	General Revenues	13,946,310
7	Restricted Receipts	60,000
8	Total - District Court	14,006,310
9	<i>Traffic Tribunal</i>	
10	General Revenues	9,283,407
11	<i>Workers' Compensation Court</i>	
12	Restricted Receipts	8,943,104
13	Grand Total – Judiciary	126,730,281
14	Military Staff	
15	General Revenues	3,219,493
16	Federal Funds	34,354,996
17	Restricted Receipts	
18	RI Military Family Relief Fund	55,000
19	Other Funds	
20	Rhode Island Capital Plan Funds	
21	Asset Protection	700,000
22	Joint Force Headquarters Building	1,800,000
23	Grand Total – Military Staff	40,129,489
24	Public Safety	
25	<i>Central Management</i>	
26	General Revenues	1,268,763
27	Federal Funds	14,579,673
28	Restricted Receipts	72,319
29	Total – Central Management	15,920,755
30	<i>E-911 Emergency Telephone System</i>	
31	General Revenues	6,792,261
32	<i>Security Services</i>	
33	General Revenues	26,743,619
34	<i>Municipal Police Training Academy</i>	

1	General Revenues	296,254
2	Federal Funds	419,790
3	Total – Municipal Police Training Academy	716,044
4	<i>State Police</i>	
5	General Revenues	76,095,776
6	Federal Funds	4,986,942
7	Restricted Receipts	1,670,000
8	Other Funds	
9	Rhode Island Capital Plan Funds	
10	DPS Asset Protection	600,000
11	Training Academy Upgrades	425,000
12	Facilities Master Plan	350,000
13	Headquarters Roof Project	2,000,000
14	Airport Corporation Assistance	146,832
15	Road Construction Reimbursement	2,244,969
16	Weight and Measurement Reimbursement	400,000
17	Total – State Police	88,919,519
18	Grand Total – Public Safety	139,092,198
19	Office of Public Defender	
20	General Revenues	12,848,271
21	Federal Funds	75,665
22	Grand Total – Office of Public Defender	12,923,936
23	Emergency Management Agency	
24	General Revenues	2,439,647
25	Federal Funds	9,295,523
26	Restricted Receipts	468,005
27	Other Funds	
28	Rhode Island Capital Plan Funds	
29	RI Statewide Communications Network	1,494,414
30	Grand Total – Emergency Management Agency	13,697,589
31	Environmental Management	
32	<i>Office of the Director</i>	
33	General Revenues	7,395,368
34	Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.	

1	Federal Funds	212,741
2	Restricted Receipts	3,891,345
3	Total – Office of the Director	11,499,454
4	<i>Natural Resources</i>	
5	General Revenues	24,592,693
6	Federal Funds	21,990,427
7	Restricted Receipts	3,977,991
8	Other Funds	
9	DOT Recreational Projects	762,000
10	Blackstone Bikepath Design	1,000,000
11	Transportation MOU	10,286
12	Rhode Island Capital Plan Funds	
13	Dam Repair	1,860,000
14	Fort Adams Rehabilitation	300,000
15	Recreational Facilities Improvements	3,100,000
16	Galilee Piers Upgrade	1,200,000
17	Marine Infrastructure and Pier Development	750,000
18	Total – Natural Resources	59,543,397
19	<i>Environmental Protection</i>	
20	General Revenues	13,190,507
21	Federal Funds	10,106,352
22	Restricted Receipts	8,463,628
23	Other Funds	
24	Transportation MOU	87,269
25	Total – Environmental Protection	31,847,756
26	Grand Total – Environmental Management	102,890,607
27	Coastal Resources Management Council	
28	General Revenues	2,913,195
29	Federal Funds	1,597,735
30	Restricted Receipts	250,000
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	Rhode Island Coastal Storm Risk Study	500,000
34	Rhode Island Beach SAMP	50,000

1	Grand Total – Coastal Resources Mgmt. Council	5,310,930
2	Transportation	
3	<i>Central Management</i>	
4	Federal Funds	5,955,305
5	Other Funds	
6	Gasoline Tax	7,728,427
7	Total – Central Management	13,683,732
8	<i>Management and Budget</i>	
9	Other Funds	
10	Gasoline Tax	2,353,268
11	<i>Infrastructure Engineering</i>	
12	Federal Funds	321,053,094
13	Restricted Receipts	3,007,550
14	Other Funds	
15	Gasoline Tax	76,970,197
16	Toll Revenue	25,000,000
17	Land Sale Revenue	2,595,391
18	Rhode Island Capital Plan Funds	
19	Bike Path Maintenance	400,000
20	Highway Improvement Program	32,451,346
21	RIPTA - College Hill Bus Terminal	800,000
22	RIPTA - Land and Buildings	90,000
23	RIPTA – Warwick Bus Hub	120,000
24	Total - Infrastructure Engineering	462,487,578
25	<i>Infrastructure Maintenance</i>	
26	Other Funds	
27	Gasoline Tax	21,471,321
28	Non-Land Surplus Property	50,000
29	Utility Access Permit Fees	500,000
30	Rhode Island Highway Maintenance Account	124,684,562
31	Provided that \$400,000 shall be allocated to bicycle path projects and \$150,000	
32	shall be allocated to Rhode Island Welcome Center improvements.	
33	Rhode Island Capital Plan Funds	
34	Maintenance Facilities Improvements	500,000

1	Salt Storage Facilities	1,900,000
2	Maintenance - Equipment Replacement	1,500,000
3	Train Station Maintenance and Repairs	350,000
4	Total – Infrastructure Maintenance	150,955,883
5	Grand Total – Transportation	629,480,461
6	Statewide Totals	
7	General Revenues	4,075,093,139
8	Federal Funds	3,318,666,714
9	Restricted Receipts	301,461,708
10	Other Funds	2,234,815,855
11	Statewide Grand Total	9,572,741,806

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

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

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

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

1 following expenditure limitations:

2	<u>Account</u>	<u>Expenditure Limit</u>
3	State Assessed Fringe Benefit Internal Service Fund	31,377,620
4	Administration Central Utilities Internal Service Fund	23,055,162
5	State Central Mail Internal Service Fund	6,290,947
6	State Telecommunications Internal Service Fund	3,450,952
7	State Automotive Fleet Internal Service Fund	12,740,920
8	Surplus Property Internal Service Fund	3,000
9	Health Insurance Internal Service Fund	252,562,111
10	State Fleet Revolving Loan Fund	273,786
11	Other Post-Employment Benefits Fund	63,858,483
12	Capitol Police Internal Service Fund	1,479,703
13	Corrections Central Distribution Center Internal Service Fund	6,798,359
14	Correctional Industries Internal Service Fund	8,191,195
15	Secretary of State Record Center Internal Service Fund	969,729
16	Human Resources Internal Service Fund	15,227,277
17	DCAMM Facilities Internal Service Fund	40,379,969
18	Information Technology Internal Service Fund	40,631,267

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

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

29 SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
30 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
31 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
32 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2020.

33 SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby
34 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to

1 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending
2 June 30, 2020.

3 SECTION 9. *Appropriation of Lottery Division Funds* -- There is hereby appropriated to
4 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes
5 of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2020.

6 SECTION 10. *Appropriation of CollegeBoundSaver Funds* – There is hereby
7 appropriated to the Office of the General Treasurer designated funds received under the
8 CollegeBoundSaver program for transfer to the Division of Higher Education Assistance within
9 the Office of the Postsecondary Commissioner to support student financial aid for the fiscal year
10 ending June 30, 2020.

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

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

27 FY 2020 FTE POSITION AUTHORIZATION

28 <u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
29 Administration	670.1
30 Business Regulation	187.0
31 Executive Office of Commerce	18.0
32 Labor and Training	451.7
33 Revenue	587.5
34 Legislature	298.5

1	Office of the Lieutenant Governor	8.0
2	Office of the Secretary of State	59.0
3	Office of the General Treasurer	89.0
4	Board of Elections	13.0
5	Rhode Island Ethics Commission	12.0
6	Office of the Governor	45.0
7	Commission for Human Rights	14.5
8	Public Utilities Commission	60.0
9	Office of Health and Human Services	479.1
10	Children, Youth, and Families	629.5
11	Health	520.6
12	Human Services	755.0
13	Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,305.4
14	Office of the Child Advocate	10.0
15	Commission on the Deaf and Hard of Hearing	4.0
16	Governor's Commission on Disabilities	4.0
17	Office of the Mental Health Advocate	4.0
18	Elementary and Secondary Education	142.1
19	School for the Deaf	60.0
20	Davies Career and Technical School	126.0
21	Office of Postsecondary Commissioner	38.0
22	Provided that 1.0 of the total authorization would be available only for positions that are	
23	supported by third-party funds, 9.0 would be available only for positions at the State's Higher	
24	Education Centers located in Woonsocket and Westerly, and 10.0 would be available only for	
25	positions at the Nursing Education Center.	
26	University of Rhode Island	2,555.0
27	Provided that 440.0 of the total authorization would be available only for positions that	
28	are supported by third-party funds, and that 445.0 of the total authorization would be available	
29	only for positions that are supported by auxiliary enterprise units of the university.	
30	Rhode Island College	949.2
31	Provided that 76.0 of the total authorization would be available only for positions that are	
32	supported by third-party funds.	
33	Community College of Rhode Island	854.1
34	Provided that 89.0 of the total authorization would be available only for positions that are	

1 supported by third-party funds.

2	Rhode Island State Council on the Arts	8.6
3	RI Atomic Energy Commission	8.6
4	Historical Preservation and Heritage Commission	15.6
5	Office of the Attorney General	239.1
6	Corrections	1,426.0
7	Judicial	723.3
8	Military Staff	98.0
9	Emergency Management Agency	32.0
10	Public Safety	595.6
11	Office of the Public Defender	96.0
12	Environmental Management	406.0
13	Coastal Resources Management Council	30.0
14	Transportation	785.0
15	Total	15,413.7

16 SECTION 12. The amounts reflected in this Article include the appropriation of Rhode
17 Island Capital Plan funds for fiscal year 2020 and supersede appropriations provided for FY 2020
18 within Section 12 of Article 1 of Chapter 047 of the P.L. of 2018.

19 The following amounts are hereby appropriated out of any money in the State’s Rhode
20 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
21 June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024. These amounts supersede
22 appropriations provided within Section 12 of Article 1 of Chapter 047 of the P.L. of 2018.

23 For the purposes and functions hereinafter mentioned, the State Controller is hereby
24 authorized and directed to draw his or her orders upon the General Treasurer for the payment of
25 such sums and such portions thereof as may be required by him or her upon receipt of properly
26 authenticated vouchers.

27		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
28		Ending	Ending	Ending	Ending
29	<u>Project</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
30	DOA – Accessibility	1,000,000	1,000,000	1,000,000	1,000,000
31	DOA – Board of Elections/Health/ME Lab	9,000,000	0	0	0
32	DOA – Capital Hill	5,100,000	6,300,000	6,200,000	7,375,000
33	DOA – Cranston Street Armory	500,000	1,100,000	2,000,000	2,100,000
34	DOA – Energy Efficiency	500,000	1,000,000	1,000,000	1,000,000

1	DOA – Hospital Reorganization	6,721,495	0	0	0
2	DOA – Pastore Center	4,600,000	5,200,000	6,250,000	5,750,000
3	DOA – Security Measures/State				
4	Buildings	500,000	500,000	500,000	500,000
5	DOA – Shepard Building	850,000	750,000	750,000	750,000
6	DOA – State House Renovations	877,169	428,000	900,000	900,000
7	South County	500,000	500,000	500,000	500,000
8	DOA – Zambarano Utilities and Mtn.	2,300,000	550,000	1,300,000	1,800,000
9	DOA – BHDDH Group Homes	500,000	1,300,000	1,400,000	1,500,000
10	EOC – Quonset Piers	5,000,000	0	0	0
11	EOC – Quonset Point Infrastructure	6,000,000	0	0	0
12	DCYF – RITS Repairs	800,000	200,000	200,000	200,000
13	EL SEC – Davies School Asset Protection	150,000	150,000	150,000	150,000
14	EL SEC – Davies School HVAC	1,800,000	0	0	0
15	EL SEC – Met School Asset Protection	250,000	250,000	250,000	250,000
16	URI – Asset Protection	8,531,280	8,700,000	8,874,000	9,094,395
17	RIC – Asset Protection	4,150,000	4,233,000	4,318,000	5,061,384
18	RIC – Infrastructure Modernization	3,500,000	4,500,000	2,000,000	2,344,319
19	CCRI – Asset Protection	2,487,857	2,537,615	2,588,000	3,033,548
20	CCRI – Knight Campus Renewal	3,500,000	0	0	0
21	CCRI – Flanagan Campus Renewal	2,000,000	2,000,000	6,000,000	2,500,000
22	CCRI - Physics/Engineering Lab	1,300,000	0	0	0
23	CCRI – Data Cabling/Power Infrastructure	3,680,000	5,180,000	4,290,000	0
24	DOC – Asset Protection	14,850,000	17,700,000	17,250,000	11,500,000
25	Military Staff – Asset Protection	700,000	800,000	800,000	800,000
26	DPS – Asset Protection	650,000	650,000	900,000	400,000
27	DEM – Fort Adams Rehabilitation	300,000	300,000	300,000	300,000
28	DEM – Galilee Piers Upgrade	1,200,000	500,000	500,000	500,000
29	DEM – Marine Infrastructure/				
30	Pier Development	1,000,000	1,250,000	1,250,000	1,250,000
31	DEM – Recreational Facilities Improv.	2,100,000	3,000,000	3,000,000	3,000,000
32	DEM – Natural Resources Offices &				
33	Visitor’s Center	0	2,000,000	3,000,000	0
34	DOT – Highway Improvement Program	32,451,346	32,451,346	32,451,346	32,451,346

1 issuance and renewal of certificates and for late fees; provided, that the annual fee for a
2 residential or general appraiser certificate is two hundred dollars (\$200).

3 (b) There is hereby created a restricted receipt account within the general fund of the state
4 to be known as the real estate appraisers – registration – CLRA account. Fees collected pursuant
5 to § 5-20.7-15(a) shall be deposited into this account and be used to finance costs associated with
6 real estate appraisers registration. The restricted receipt account will be included in the budget of
7 the department of business regulation.

8 SECTION 2. Section 5-20.9-7 of the General Laws in Chapter 5-20.9 entitled "Real
9 Estate Appraisal Management Company Registration Act" is hereby amended to read as follows:

10 **5-20.9-7. Initial registration, renewals, forms and fees.**

11 (a) An applicant for registration as an appraisal management company shall submit to the
12 department an application on forms prescribed by the department and pay the required fee(s).

13 (b) The fees for initial registration, renewal, and late renewals shall be determined by the
14 director and established by regulation.

15 (c) There is hereby created a restricted receipt account within the general fund of the state
16 to be known as the appraisal management company – registration account. Fees collected
17 pursuant to § 5-20.9-7 shall be deposited into this account and be used to finance costs associated
18 with appraisal management company registration and operations. The restricted receipt account
19 will be included in the budget of the department of business regulation.

20 ~~(c)~~(d) Every appraisal management company that desires to renew a registration for the
21 next term shall apply for the renewal of the registration upon a form furnished by the director and
22 containing information that is required by this chapter. Renewal of a registration is subject to the
23 same provisions as the initial registration.

24 ~~(d)~~(e) The department shall receive applications for registration for initial licensing and
25 renewal and establish administrative procedures for processing applications and issuing and
26 renewing registrations.

27 ~~(e)~~(f) The department shall have the authority to assess and collect from registered
28 entities, the AMC federal registry fee in any amount assessed by the appraisal subcommittee of
29 the Federal Financial Institutions Examination Council or its successor entity, and transmit the fee
30 to the Federal Financial Institutions Examinations Council.

31 ~~(f)~~(g) A federally regulated appraisal management company operating in this state shall
32 report to the department any information necessary for the department to assess, collect, and
33 forward the AMC federal registry fee in any amount assessed by the appraisal subcommittee of
34 the Federal Financial Institutions Examination Council or its successor entity.

1 SECTION 3. Section 16-59-6 of the General Laws in Chapter 16-59 entitled "Council on
2 Postsecondary Education" is hereby amended to read as follows:

3 **16-59-6. Commissioner of postsecondary education.**

4 The council on postsecondary education, with approval of the board, shall appoint a
5 commissioner of postsecondary education, who shall serve at the pleasure of the council,
6 provided that his or her initial engagement by the council shall be for a period of not more than
7 three (3) years. For the purpose of appointing, retaining, or dismissing a commissioner of
8 postsecondary education, the governor shall serve as an additional voting member of the council.

9 The position of commissioner shall be in the unclassified service of the state and he or she shall
10 serve as the chief executive officer of the council on postsecondary education, the chief
11 administrative officer of the office of postsecondary commissioner, and the executive director of
12 the division of higher education assistance. The commissioner of postsecondary education shall
13 have any duties that are defined in this section and in this title and other additional duties as may
14 be determined by the council, and shall perform any other duties as may be vested in him or her
15 by law. In addition to these duties and general supervision of the office of postsecondary
16 commissioner and the appointment of the several officers and employees of the office, it shall be
17 the duty of the commissioner of postsecondary education:

18 (1) To develop and implement a systematic program of information gathering,
19 processing, and analysis addressed to every aspect of higher education in the state, especially as
20 that information relates to current and future educational needs.

21 (2) To prepare a strategic plan for higher education in the state aligned with the goals of
22 the board of education's strategic plan; to coordinate the goals and objectives of the higher public
23 education sector with the goals of the council on elementary and secondary education and
24 activities of the independent higher education sector where feasible.

25 (3) To communicate with, and seek the advice of those concerned with, and affected by
26 the board of education's and council's determinations.

27 (4) To implement broad policy as it pertains to the goals and objectives established by the
28 board of education and council on postsecondary education; to promote better coordination
29 between higher public education in the state, independent higher education in the state as
30 provided in subdivision (10) of this section, and pre k-12 education; to assist in the preparation of
31 the budget for public higher education; and to be responsible, upon direction of the council, for
32 the allocation of appropriations, the acquisition, holding, disposition of property.

33 (5) To be responsible for the coordination of the various higher educational functions of
34 the state so that maximum efficiency and economy can be achieved.

1 (6) To assist the board of education in preparation and maintenance of a five-year (5)
2 strategic funding plan for higher education; to assist the council in the preparation and
3 presentation annually to the state budget officer in accordance with § 35-3-4 of a total, public
4 higher educational budget.

5 (7) To recommend to the council on postsecondary education, after consultation with the
6 presidents, a clear and definitive mission for each public institution of higher learning.

7 (8) To annually recommend to the council on postsecondary education, after consultation
8 with the presidents, the creation, abolition, retention, or consolidation of departments, divisions,
9 programs, and courses of study within the public colleges and universities to eliminate
10 unnecessary duplication in public higher education, to address the future needs of public higher
11 education in the state, and to advance proposals recommended by the presidents of the public
12 colleges and universities pursuant to §§ 16-32-2.1, 16-33-2.1 and 16-33.1-2.1.

13 (9) To supervise the operations of the office of postsecondary commissioner, including
14 the division of higher education assistance, and any other additional duties and responsibilities
15 that may be assigned by the council.

16 (10) To perform the duties vested in the council with relation to independent higher
17 educational institutions within the state under the terms of chapter 40 of this title and any other
18 laws that affect independent higher education in the state.

19 (11) To be responsible for the administration of policies, rules, and regulations of the
20 council on postsecondary education with relation to the entire field of higher education within the
21 state, not specifically granted to any other department, board, or agency and not incompatible
22 with law.

23 (12) To prepare standard accounting procedures for public higher education and all public
24 colleges and universities.

25 (13) To carry out the policies and directives of the board of education and the council on
26 postsecondary education through the office of postsecondary commissioner and through
27 utilization of the resources of the public institutions of higher learning.

28 (14) To enter into interstate reciprocity agreements regarding the provision of
29 postsecondary distance education; to administer such agreements; to approve or disapprove
30 applications to voluntarily participate in such agreements from postsecondary institutions that
31 have their principal place of business in Rhode Island; and to establish annual fees, with the
32 approval of the council on postsecondary education, for aforesaid applications to participate in an
33 interstate postsecondary distance education reciprocity agreement. [There is hereby established a](#)
34 [restricted receipt account entitled “State Authorization Reciprocity Agreement \(SARA\)” within](#)

the general fund of the state for the express purpose of the collection and disbursement of all fees related to interstate reciprocity agreements regarding the provision of postsecondary distance education. The restricted receipt account will be included in the budget of the office of the postsecondary commissioner.

(15) To the extent necessary for participation, and to the extent required and stated in any distance learning reciprocity agreement, to implement procedures to address complaints received from out-of-state students in connection with, or related to, any Rhode Island postsecondary institution, public or private, that has been approved to participate in said reciprocity agreement.

(16) To exercise all powers and duties of the division of higher education assistance as set forth under the terms of chapter 57 of this title.

SECTION 4. Section 23-1-20 of the General Laws in Chapter 23-1 entitled "Department of Health" is hereby amended to read as follows:

23-1-20. Compliance order.

(a) Whenever the director determines that there are reasonable grounds to believe that there is a violation of any law administered by him or her or of any rule or regulation adopted pursuant to authority granted to him or her, the director may give notice of the alleged violation to the person responsible for it. The notice shall be in writing, shall set forth the alleged violation, shall provide for a time within which the alleged violation shall be remedied, and shall inform the person to whom it is directed that a written request for a hearing on the alleged violation may be filed with the director within ten (10) days after service of the notice. The notice will be deemed properly served upon a person if a copy of the notice is served upon him or her personally, or sent by registered or certified mail to the last known address of that person, or if that person is served with notice by any other method of service now or later authorized in a civil action under the laws of this state. If no written request for a hearing is made to the director within ten (10) days of the service of notice, the notice shall automatically become a compliance order.

(b) Any administrative fees and/or penalties imposed pursuant to a compliance order described in subsection (a) of this section shall be deposited in a restricted receipt account within the general fund of the state and included in the budget of the department of health. The title of the restricted receipt account shall be designated as "health systems monitoring and compliance".

SECTION 5. Section 23-77-2 of the General Laws in Chapter 23-77 entitled "Healthcare Information Technology and Infrastructure Development Fund" is hereby amended to read as follows:

23-77-2. Establishment of the healthcare information technology and infrastructure development fund.

1 (a) There is established in the department of health, the healthcare information
2 technology and infrastructure development fund to be administered by the director of the
3 department of health for the purpose of promoting the development and adoption of healthcare
4 information technologies designed to improve the quality, safety and efficiency of healthcare
5 services and the security of individual patient data.

6 (b) Moneys in the fund shall be used for projects authorized by the director of health and
7 may be expended by contract, loan, or grant, to develop, maintain, expand, and improve the
8 state's healthcare information technology infrastructure and to assist healthcare facilities and
9 health service providers in adopting healthcare information technologies shown to improve
10 healthcare quality, safety or efficiency. Such projects shall incorporate the goal of maintaining the
11 security and confidentiality of individual patient data, and separate projects for that purpose may
12 also be authorized from the fund. The director of health shall develop criteria for the selection of
13 projects to be funded from the fund in consultation with the healthcare information technology
14 and infrastructure advisory committee created in § 23-77-4.

15 (c) Any moneys provided by loan shall be disbursed for periods not exceeding twenty-
16 five (25) years and at an annual rate of interest not exceeding five percent (5%).

17 (d) The director of the department of health, in consultation with the state healthcare
18 information technology advisory committee, shall establish criteria for eligible healthcare
19 information technology and infrastructure projects to be funded under this chapter.

20 (e) The healthcare information technology and infrastructure development fund, as herein
21 described, shall constitute a restricted receipt account within the general fund of the state and
22 housed within the budget of the department of health. The short title of the restricted receipt
23 account shall henceforth be designated as "health information technology".

24 SECTION 6. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
25 is hereby amended to read as follows:

26 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

27 Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all
28 restricted-receipt accounts, to be recorded as general revenues in the general fund. However, there
29 shall be no transfer from cash receipts with restrictions received exclusively: (1) From
30 contributions from non-profit charitable organizations; (2) From the assessment of indirect cost-
31 recovery rates on federal grant funds; or (3) Through transfers from state agencies to the
32 department of administration for the payment of debt service. These indirect cost recoveries shall
33 be applied to all accounts, unless prohibited by federal law or regulation, court order, or court
34 settlement. The following restricted receipt accounts shall not be subject to the provisions of this

1 section:

2 Executive Office of Health and Human Services

3 Organ Transplant Fund

4 HIV Care Grant Drug Rebates

5 [Medical Marijuana Licensing](#)

6 [Adult Use Marijuana Licensing](#)

7 [Industrial Hemp Licensing](#)

8 [Health System Transformation Project](#)

9 Department of Human Services

10 Veterans' home -- Restricted account

11 Veterans' home -- Resident benefits

12 Pharmaceutical Rebates Account

13 Demand Side Management Grants

14 Veteran's Cemetery Memorial Fund

15 Donations -- New Veterans' Home Construction

16 Department of Health

17 Pandemic medications and equipment account

18 Miscellaneous Donations/Grants from Non-Profits

19 State Loan Repayment Match

20 [Adult Use Marijuana Licensing Program](#)

21 [Adult Use Marijuana Licensing](#)

22 [Industrial Hemp Licensing](#)

23 [Medical Marijuana Patient Licenses](#)

24 [Healthcare Information Technology](#)

25 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals

26 Eleanor Slater non-Medicaid third-party payor account

27 Hospital Medicare Part D Receipts

28 RICLAS Group Home Operations

29 Commission on the Deaf and Hard of Hearing

30 Emergency and public communication access account

31 Department of Environmental Management

32 National heritage revolving fund

33 Environmental response fund II

34 Underground storage tanks registration fees

1 [De Coppett Estate Fund](#)
2 Rhode Island Historical Preservation and Heritage Commission
3 Historic preservation revolving loan fund
4 Historic Preservation loan fund -- Interest revenue
5 Department of Public Safety
6 Forfeited property -- Retained
7 Forfeitures -- Federal
8 Forfeited property -- Gambling
9 Donation -- Polygraph and Law Enforcement Training
10 Rhode Island State Firefighter's League Training Account
11 Fire Academy Training Fees Account
12 [Industrial Hemp Licensing Program](#)
13 [Medical Marijuana Licensing Program](#)
14 [Adult Use Marijuana Licensing Program](#)
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 OER Reconciliation Funding
22 RI Health Benefits Exchange
23 Information Technology Investment Fund
24 Restore and replacement -- Insurance coverage
25 Convention Center Authority rental payments
26 Investment Receipts -- TANS
27 OPEB System Restricted Receipt Account
28 Car Rental Tax/Surcharge-Warwick Share
29 Executive Office of Commerce
30 Housing Resources Commission Restricted Account
31 Department of Revenue
32 DMV Modernization Project
33 Jobs Tax Credit Redemption Fund
34 [Marijuana Cash Use Surcharge](#)

1 [Industrial Hemp Licensing](#)
2 [Adult Use Marijuana Licensing](#)
3 [Medical Marijuana Licensing](#)
4 Legislature
5 Audit of federal assisted programs
6 Department of Children, Youth and Families
7 Children's Trust Accounts -- SSI
8 Military Staff
9 RI Military Family Relief Fund
10 RI National Guard Counterdrug Program
11 Treasury
12 Admin. Expenses -- State Retirement System
13 Retirement -- Treasury Investment Options
14 Defined Contribution -- Administration - RR
15 Violent Crimes Compensation -- Refunds
16 Treasury Research Fellowship
17 Business Regulation
18 Banking Division Reimbursement Account
19 Office of the Health Insurance Commissioner Reimbursement Account
20 Securities Division Reimbursement Account
21 Commercial Licensing and Racing and Athletics Division Reimbursement Account
22 Insurance Division Reimbursement Account
23 Historic Preservation Tax Credit Account
24 [Industrial Hemp Licensing](#)
25 [Adult Use Marijuana Licensing](#)
26 [Medical Marijuana Licensing](#)
27 Judiciary
28 Arbitration Fund Restricted Receipt Account
29 Third-Party Grants
30 RI Judiciary Technology Surcharge Account
31 Department of Elementary and Secondary Education
32 Statewide Student Transportation Services Account
33 School for the Deaf Fee-for-Service Account
34 School for the Deaf -- School Breakfast and Lunch Program

1 Davies Career and Technical School Local Education Aid Account
2 Davies -- National School Breakfast & Lunch Program
3 School Construction Services
4 Office of the Postsecondary Commissioner
5 Higher Education and Industry Center
6 [State Authorization Reciprocity Agreement \(SARA\)](#)
7 Department of Labor and Training
8 Job Development Fund

9 SECTION 7. Section 42-7.2-10 of the General Laws in Chapter 42-7.2 entitled "Office of
10 Health and Human Services" is hereby amended to read as follows:

11 **42-7.2-10. Appropriations and disbursements.**

12 [\(a\)](#) The general assembly shall annually appropriate such sums as it may deem necessary
13 for the purpose of carrying out the provisions of this chapter. The state controller is hereby
14 authorized and directed to draw his or her orders upon the general treasurer for the payment of
15 such sum or sums, or so much thereof as may from time to time be required, upon receipt by him
16 or her of proper vouchers approved by the secretary of the executive office of health and human
17 services, or his or her designee.

18 [\(b\) For the purpose of recording federal financial participation associated with qualifying](#)
19 [healthcare workforce development activities at the state's public institutions of higher education,](#)
20 [and pursuant to the Rhode Island Designated State Health Programs \(DSHP\), as approved by](#)
21 [CMS October 20, 2016 in the 11-W-00242/1 amendment to Rhode Island's section 1115](#)
22 [Demonstration Waiver, there is hereby established a restricted receipt account entitled "Health](#)
23 [System Transformation Project" in the general fund of the state and included in the budget of the](#)
24 [office of health and human services.](#)

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

26 **ARTICLE 3**

27 **RELATING TO GOVERNMENT REFORM**

28 SECTION 1. Sections 1-6-1 and 1-6-3 of the General Laws in Chapter 1-6 entitled
29 "Warwick Airport Parking District" are hereby amended to read as follows:

30 **1-6-1. Definitions.**

31 As used in this chapter:

32 (1) "Administrator" means the state tax administrator.

33 (2) "District" means the Warwick airport parking district, being the district that runs from
34 a point on Main Avenue in the city of Warwick at the southerly boundary of T.F. Green state

1 airport, and westerly along Main Avenue to a point one-third (1/3) mile west of the intersection of
2 Main Avenue with Post Road; turning thence northerly running along a line parallel to and one-
3 third (1/3) mile west of Post Road to a point one mile north of the line of Airport Road; thence
4 turning east running along a line parallel to and one-third (1/3) mile north of the line of Airport
5 Road to Warwick Avenue; thence turning south along Warwick Avenue to Airport Road; thence
6 turning west along Airport Road to the boundary of T.F. Green state airport; thence running
7 southerly along the boundary of T.F. Green state airport to the point of beginning. If any parking
8 facility (including entrances, driveways, or private access roads) is constructed partly within the
9 district as so defined, the entire facility shall be treated as though within the district.

10 (3) "Operator" means any person providing transient parking within the district.

11 (4) "Permit fee" means the fee payable annually by an operator to the tax administrator ~~in~~
12 ~~an amount equal to ten dollars (\$10.00) for each space made, or to be made, available by the~~
13 ~~operator for transient parking during the period of a permit's effectiveness, but not more than two~~
14 ~~hundred fifty dollars (\$250) for each permit.~~

15 (5) "Transient parking" means any parking for motor vehicles at a lot, garage, or other
16 parking facility within the district for which a fee is collected by the operator, but excludes:

17 (i) Parking for which the fee is charged and paid on a monthly or less frequent basis;

18 (ii) Parking for any employee of the operator of the facility;

19 (iii) Parking provided by any hotel or motel for registered guests;

20 (iv) Parking provided by validation or having a validated rate, where the person providing
21 the validation does not maintain a place of business at T.F. Green state airport.

22 (6) "Transient parking receipts" means the gross receipts collected by an operator
23 (excluding the surcharge imposed by this chapter) in consideration of the provision of transient
24 parking.

25 **1-6-3. Permits for parking operations in district.**

26 (a) Every person desiring to provide transient parking in the district shall file with the tax
27 administrator an application for a permit for each place of business where transient parking will
28 be provided. The application shall be in a form, include information, and bear any signatures that
29 the tax administrator may require. There shall be no fee for this permit. ~~At the time of making an~~
30 ~~application, the applicant shall pay to the tax administrator the permit fee.~~ Every permit issued
31 under this chapter shall expire on June 30 of each year. Every permit holder desiring to renew a
32 permit shall annually, on or before February 1 of each year, apply for renewal of its permit ~~and~~
33 ~~file with it the appropriate permit fee.~~ The renewal permit shall be valid for the period of July 1 of
34 that calendar year through June 30 of the subsequent calendar year, unless sooner canceled,

1 suspended, or revoked. Upon receipt of the required application ~~and permit fee~~, the tax
2 administrator shall issue to the applicant a permit. Provided, that if the applicant, at the time of
3 making the application, owes any fee, surcharge, penalty, or interest imposed under the authority
4 of this chapter, the applicant shall pay the amount owed. ~~An operator whose permit has been~~
5 ~~previously suspended or revoked shall pay to the tax administrator a permit fee for the renewal or~~
6 ~~issuance of a permit.~~

7 (b) Whenever any person fails to comply with any provision of this chapter, the tax
8 administrator upon hearing, after giving the person at least five (5) days notice in writing,
9 specifying the time and place of hearing and requiring the person to show cause why his or her
10 permit or permits should not be revoked, may revoke or suspend any one or more of the permits
11 held by the person. The notice may be served personally or by mail. The tax administrator shall
12 not issue a new permit after the revocation of a permit unless the administrator is satisfied that the
13 former holder of the permit will comply with the provisions of the ordinance.

14 (c) The superior court of this state has jurisdiction to restrain and enjoin any person from
15 engaging in business as an operator of a transient parking facility in the district without a parking
16 operator's permit or permits or after a transient parking facility operator's permit has been
17 suspended or revoked. The tax administrator may institute proceedings to prevent and restrain
18 violations of this chapter. In any proceeding instituted under this section, proof that a person
19 continues to operate a transient parking facility from the location to which a revoked parking
20 operator's permit was assigned, is prima facie evidence that the person is engaging in business as
21 a parking operator without a parking operator's permit.

22 (d) Permit fees collected under the authority of this section shall be deposited into the
23 general fund of the state.

24 SECTION 2. Section 3-7-14.2 of the General Laws in Chapter 3-7 entitled "Retail
25 Licenses" is hereby amended to read as follows:

26 **3-7-14.2. Class P licenses -- Caterers.**

27 (a) A caterer licensed by the department of health and the division of taxation shall be
28 eligible to apply for a Class P license from the department of business regulation. The department
29 of business regulation is authorized to issue all caterers' licenses. The license will be valid
30 throughout this state as a state license and no further license will be required or tax imposed by
31 any city or town upon this alcoholic beverage privilege. Each caterer to which the license is
32 issued shall pay to the department of business regulation an annual fee of five hundred dollars
33 (\$500) for the license, ~~and one dollar (\$1.00) for each duplicate of the license~~, which fees are paid
34 into the state treasury. The department is authorized to promulgate rules and regulations for

1 implementation of this license. In promulgating said rules, the department shall include, but is not
2 limited to, the following standards:

3 (1) Proper identification will be required for individuals who look thirty (30) years old or
4 younger and who are ordering alcoholic beverages;

5 (2) Only valid ID's as defined by these titles are acceptable;

6 (3) An individual may not be served more than two (2) drinks at a time;

7 (4) Licensee's, their agents, or employees will not serve visibly intoxicated individuals;

8 (5) Licensee's may only serve alcoholic beverages for no more than a five (5) hour period
9 per event;

10 (6) Only a licensee, or its employees, may serve alcoholic beverages at the event;

11 (7) The licensee will deliver and remove alcoholic beverages to the event; and

12 (8) No shots or triple alcoholic drinks will be served.

13 (b) Any bartender employed by the licensee shall be certified by a nationally recognized
14 alcohol beverage server training program.

15 (c) The licensee shall purchase at retail all alcoholic beverages from a licensed Class A
16 alcohol retail establishment located in the state, provided, however, any licensee who also holds a
17 Class T license, issued pursuant to the provisions of § 3-7-7, shall be allowed to purchase
18 alcoholic beverages at wholesale. Any person violating this section shall be fined five hundred
19 dollars (\$500) for this violation and shall be subject to license revocation. The provisions of this
20 section shall be enforced in accordance with this title.

21 (d) Violation of subsection (a) of this section is punishable upon conviction by a fine of
22 not more than five hundred dollars (\$500). Fines imposed under this section shall be paid to the
23 department of business regulation.

24 SECTION 3. Sections 5-12-1 through 5-12-4 of Chapter 5-12 of the General Laws
25 entitled "Hide and Leather Inspection" are hereby repealed.

26 **~~5-12-1. Town and city inspectors.~~**

27 ~~There may be annually elected by the town councils of the several towns and by the city~~
28 ~~councils of Providence and Newport an officer to be denominated "inspector of hides and~~
29 ~~leather", who shall be sworn to the faithful discharge of his or her duties.~~

30 **~~5-12-2. Inspection and stamping of hides and leather.~~**

31 ~~City and town inspectors of hides and leather shall examine and inspect all hides and~~
32 ~~leather which they may be called upon to inspect, within their towns or cities, and stamp upon the~~
33 ~~inspected hides or leather their quality, as rated in the hides and leather trade, together with the~~
34 ~~name of the inspector and date of inspection.~~

1 **5-12-3. Inspection fees.**

2 ~~The fee of the inspector shall be at the rate of one dollar (\$1.00) per hour for each hour~~
3 ~~actually employed, paid by the person employing him or her; provided, that not more than five (5)~~
4 ~~hours shall be paid for by one employer for the same day.~~

5 **5-12-4. Misconduct by inspectors.**

6 ~~Every inspector appointed under the provisions of this chapter who willfully stamps any~~
7 ~~hides or leather as of a grade above or below that at which it is properly ratable, shall forfeit and~~
8 ~~pay a penalty of one hundred dollars (\$100) and is liable to an action at law for damages to any~~
9 ~~person injured from the action.~~

10 SECTION 4. Sections 5-65-1, 5-65-3, 5-65-7.1, 5-65-10, 5-65-15, 5-65-15.1 and 5-65-20
11 of the General Laws in Chapter 5-65 entitled "Contractors' Registration and Licensing Board" are
12 hereby amended to read as follows:

13 **5-65-1. Definitions.**

14 As used in this chapter:

15 (1) "Board" means the contractors' registration and licensing board established pursuant
16 to the provisions of § 5-65-14 or its designees.

17 (2) "Claim for retainage" means an allegation that a person seeking payment of retainage
18 breached the person's contract for the project; provided, however, that a "claim" related to a
19 project with a contract value of not less than two hundred fifty thousand dollars (\$250,000) shall
20 be subject to the applicable dispute resolution procedure, notice, and other requirements in the
21 contract for construction.

22 (3) "Commission" means the building code commission supportive of the contractors'
23 registration and licensing board.

24 (4)(i) "Contractor" means a person who, in the pursuit of an independent business,
25 undertakes or offers to undertake or submits a bid, or for compensation and with or without the
26 intent to sell the structure arranges to construct, alter, repair, improve, move over public
27 highways, roads, or streets or demolish a structure or to perform any work in connection with the
28 construction, alteration, repair, improvement, moving over public highways, roads, or streets or
29 demolition of a structure, and the appurtenances thereto. For the purposes of this chapter,
30 "appurtenances" includes the installation, alteration, or repair of wells connected to a structure
31 consistent with chapter 13.2 of title 46. "Contractor" includes, but is not limited to, any person
32 who purchases or owns property and constructs, or for compensation arranges for the construction
33 of, one or more structures.

34 (ii) A certificate of registration is necessary for each "business entity" regardless of the

1 fact that each entity may be owned by the same individual.

2 (5) "Contract for construction" means a contract for which a lien may be established
3 under chapter 28 of title 34 or for state or municipal public works projects as defined in title 37
4 on a project for which the person on whose contract with the project owner has an original
5 contract price of not less than two hundred fifty thousand dollars (\$250,000); provided, however,
6 that "contract for construction" shall not include a project containing, or designed to contain, at
7 least one, but not more than four (4), dwelling units.

8 (6) "Deliverable" means a project close-out document that shall be submitted by the
9 person seeking payment of retainage under the person's contract for construction; provided,
10 however, that a lien waiver or release, which is a deliverable, shall comply with chapter 28 of title
11 34; provided, further, that "deliverable" shall not include any document affirming, certifying, or
12 confirming completion or correction of labor, materials, or other items furnished or incomplete or
13 defective work.

14 (7) "Dwelling unit" means a single unit providing complete independent living facilities
15 for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and
16 sanitation.

17 (8) "Hearing officer" means a person designated by the ~~executive director~~ [director of the](#)
18 [department of business regulation or the director's designee](#) to hear contested claims or cases,
19 contested enforcement proceedings, and contested administrative fines, in accordance with the
20 "administrative procedures act", chapter 35 of title 42.

21 (9) "Incomplete or defective work" means labor, materials, or any other item required for
22 full performance by a person seeking payment of retainage that remains to be furnished by the
23 person under the person's contract for construction or that has been furnished by the person but
24 requires correction, repair, further completion, revision, or replacement; provided, however, that
25 "incomplete or defective work" shall not include deliverables or labor, materials, or any other
26 item to be repaired or replaced after substantial or final completion pursuant to a warranty,
27 guarantee, or other contractual obligation to correct defective work after substantial or final
28 completion.

29 (10) "Monetary damages" means the dollar amount required in excess of the contract
30 amount necessary to provide the claimant with what was agreed to be provided under the terms of
31 the contract reduced by any amount due and unpaid to the respondent inclusive of any and all
32 awards and restitution.

33 (11) "Person" means any natural person, joint venture, partnership, corporation, or other
34 business or legal entity who or that enters into a contract for construction.

(12) "Prime contractor" means a person who or that enters into a contract for construction with the project owner.

(13) "Retainage" means a portion or percentage of a payment due pursuant to a contract for construction that is withheld to ensure full performance of the contract for construction.

(14) "Staff" means ~~the executive director for the contractors' registration and licensing board, and~~ any ~~other~~ staff necessary to carry out the powers, functions, and duties of the board including inspectors, hearing officers, and other supportive staff.

(15) "State" means the state of Rhode Island.

(16) "Structure" means (i) Any commercial building; or (ii) Any building containing one or more residences and their appurtenances. The board's dispute resolution process shall apply only to residential structures containing dwelling units, as defined in the state building code, or residential portions of other types of buildings without regard to how many units any structure may contain. The board retains jurisdiction and may conduct hearings regarding violations against all contractors required to be registered or licensed by the board.

(17) "Substantially" means any violation that affects the health, safety, and welfare of the general public.

(18) "Substantial completion" means the stage in the progress of the project when the work required by the contract for construction with the project owner is sufficiently complete in accordance with the contract for construction so that the project owner may occupy or utilize the work for its intended use; provided, further, that "substantial completion" may apply to the entire project or a phase of the entire project if the contract for construction with the project owner expressly permits substantial completion to apply to defined phases of the project.

5-65-3. Registration for work on a structure required of contractor -- Issuance of building permits to unregistered or unlicensed contractors prohibited -- Evidence of activity as a contractor -- Duties of contractors.

(a) A person shall not undertake, offer to undertake, or submit a bid to do work as a contractor on a structure or arrange to have work done unless that person has a current, valid certificate of registration for all construction work issued by the board. A partnership, corporation, or joint venture may do the work; offer to undertake the work; or submit a bid to do the work only if that partnership, corporation, or joint venture is registered for the work. In the case of registration by a corporation or partnership, an individual shall be designated to be responsible for the corporation's or partnership's work. The corporation or partnership and its designee shall be jointly and severally liable for the payment of the registration fee, as required in this chapter, and for violations of any provisions of this chapter. Disciplinary action taken on a

1 registration held by a corporation, partnership, or sole proprietor may affect other registrations
2 held by the same corporation, partnership, or sole proprietorship, and may preclude future
3 registration by the principal of that business entity.

4 (b) A registered partnership or corporation shall notify the board in writing immediately
5 upon any change in partners or corporate officers.

6 (c) A city, town, or the state shall not issue a building permit to anyone required to be
7 registered under this chapter who does not have a current, valid certificate of registration
8 identification card or valid license that shall be presented at the time of issuance of a permit and
9 shall become a condition of a valid permit. Each city, town, or the state that requires the issuance
10 of a permit as a condition precedent to construction, alteration, improvement, demolition,
11 movement, or repair of any building or structure or the appurtenance to the structure shall also
12 require that each applicant for the permit file, as a condition to issuing the permit, ~~a written~~
13 ~~affidavit subject to the penalties of perjury, subscribed by the applicant, that the applicant~~ is
14 registered under the provisions of this chapter, giving the number of the registration and stating
15 that the registration is in full force and effect, or, if the applicant is exempt from the provisions of
16 this chapter, listing the basis for the exemption. The city, town, or the state shall list the
17 contractor's registration number on the permit obtained by that contractor, and if a homeowner is
18 issued a permit, the building inspector or official must ascertain registration numbers of each
19 contractor on the premises and shall inform the registration board of any non-registered
20 contractors performing work at the site.

21 (d) Every city and town that requires the issuance of a business license as a condition
22 precedent to engaging, within the city or town, in a business that is subject to regulation under
23 this chapter, shall require that each licensee and each applicant for issuance or renewal of the
24 license file, or has on file, with the city or town a signed statement that the licensee or applicant is
25 registered under the provisions of this chapter and stating that the registration is in full force and
26 effect.

27 (e) It shall be prima facie evidence of doing business as a contractor when a person for
28 that person's own use performs, employs others to perform, or for compensation and with the
29 intent to sell the structure, arranges to have performed any work described in § 5-65-1(4) if within
30 any one twelve-month (12) period that person offers for sale one or more structures on which that
31 work was performed.

32 (f) Registration under this chapter shall be prima facie evidence that the registrant
33 conducts a separate, independent business.

34 (g) The provisions of this chapter shall be exclusive and no city or town shall require or

1 shall issue any registrations or licenses nor charge any fee for the regulatory registration of any
2 contractor registered with the board. Nothing in this subsection shall limit or abridge the authority
3 of any city or town to license and levy and collect a general and nondiscriminatory license fee
4 levied upon all businesses, or to levy a tax based upon business conducted by any firm within the
5 city or town's jurisdiction, if permitted under the laws of the state.

6 (h)(1) Every contractor shall maintain a list that shall include the following information
7 about all subcontractors or other contractors performing work on a structure for that contractor:

8 (i) Names and addresses; and

9 (ii) Registration numbers or other license numbers.

10 (2) The list referred to in subsection (h)(1) of this section shall be delivered to the board
11 within twenty-four (24) hours after a request is made during reasonable working hours, or a fine
12 of twenty-five dollars (\$25.00) may be imposed for each offense.

13 (i) The following subcontractors who are not employees of a registered contractor must
14 obtain a registration certificate prior to conducting any work: (1) Carpenters, including finish
15 carpenters and framers; (2) Siding installers; (3) Roofers; (4) Foundation installers, including
16 concrete installers and form installers; (5) Drywall installers; (6) Plasterers; (7) Insulation
17 installers; (8) Ceramic tile installers; (9) Floor covering installers; (10) Swimming pool installers,
18 both above ground and in ground; (11) Masons, including chimney installers, fireplace installers,
19 and general masonry erectors. This list is not all inclusive and shall not be limited to the above-
20 referenced contractors. No subcontractor licensed by another in-state agency pursuant to § 5-65-2
21 shall be required to register, provided that said work is performed under the purview of that
22 license.

23 (j) A contractor including, but not limited to, a general contractor, shall not hire any
24 subcontractor or other contractor to work on a structure unless the contractor is registered under
25 this chapter or exempt from registration under the provisions of § 5-65-2.

26 (k) A summary of this chapter, prepared by the board and provided at cost to all
27 registered contractors, shall be delivered by the contractor to the owner when the contractor
28 begins work on a structure; failure to comply may result in a fine.

29 (l) The registration number of each contractor shall appear in any advertising by that
30 contractor. Advertising in any form by an unregistered contractor shall be prohibited, including
31 alphabetical or classified directory listings, vehicles, business cards, and all other forms of
32 advertisements. The violations could result in a penalty being assessed by the board per
33 administrative procedures established.

34 (i) The board may publish, revoke, or suspend registrations and the date the registration

1 was suspended or revoked on a quarterly basis.

2 (ii) Use of the word "license" in any form of advertising when only registered may
3 subject the registrant or those required to be registered to a fine of one hundred dollars (\$100) for
4 each offense at the discretion of the board.

5 (m) The contractor must see that permits required by the state building code are secured
6 on behalf of the owner prior to commencing the work involved. The contractor's registration
7 number must be affixed to the permit as required by the state building code.

8 (n) The board may assess an interest penalty of twelve percent (12%) annually when a
9 monetary award is ordered by the board.

10 (o) All work performed, including labor and materials, in excess of one thousand dollars
11 (\$1,000) shall be accompanied by a contract in writing. Contracts required pursuant to this
12 subsection shall include a location on or near the signature line location on or in which the parties
13 to the contract shall initial to evidence the receipt of certain consumer education materials or
14 information approved and provided by the board to the contractor. The educational materials
15 and/or information shall include, but not be limited to, the following notice and shall be provided
16 by the contractor to the homeowner:

17 NOTICE OF POSSIBLE MECHANIC'S LIEN

18 To: Insert name of owner, lessee or tenant, or owner of less than the simple fee.

19 The undersigned is about to perform work and/or furnish materials for the construction,
20 erection, alterations or repair upon the land at (INSERT ADDRESS) under contract with you.
21 This is a notice that the undersigned and any other persons who provide labor and materials for
22 the improvement under contract with the undersigned may file a mechanic's lien upon the land in
23 the event of nonpayment to them. It is your responsibility to assure yourself that those other
24 persons under contract with the undersigned receive payment for their work performed and
25 materials furnished for the construction, erection, alteration or repair upon the land. Failure to
26 adhere to the provisions of this subsection may result in a one-thousand-dollar (\$1,000) fine
27 against the contractor and shall not affect the right of any other person performing work or
28 furnishing materials of claiming a lien pursuant to chapter 28 of title 34. However, such person
29 failing to provide such notice shall indemnify and hold harmless any owner, lessee or tenant, or
30 owner of less than the fee simple from any payment or costs incurred on account of any liens
31 claims by those not in privity with them, unless such owner, lessee or tenant, or owner of less
32 than the fee simple shall not have paid such person.

33 (p) Contracts entered into must contain notice of right of rescission as stipulated in all
34 pertinent Rhode Island consumer protection laws and/or § 5-65-27 if applicable.

1 (q) The contractor must stipulate whether or not all the proper insurances are in effect for
2 each job contracted.

3 (r) Contractors who are in compliance with the provisions of this subsection shall be
4 exempt from the requirements of § 34-28-4.1.

5 (s) In addition to the requirements of this chapter, contractors engaged in well drilling
6 activities shall also be subject to regulations pertaining to licensing and registration promulgated
7 by the contractors' registration and licensing board pursuant to chapter 65.2 of this title and § 46-
8 13.2-4.

9 **5-65-7.1. Notice of cancellation or failure to renew policies.**

10 Upon the cancellation or failure to renew, the insurance company having written a
11 liability policy, as described in § 5-65-7, shall notify ~~the director of~~ the contractors' registration
12 [and licensing](#) board of the cancellation or failure to renew. The policy shall continue in effect
13 until ten (10) days after written notice of the cancellation is given to ~~the director of~~ the
14 contractors' registration [and licensing](#) board of the cancellation or termination of the liability
15 policy by the issuing insurance company or companies in addition to any other notices which may
16 be required by law. Any insurance company that fails to notify the ~~director~~ [contractors'](#)
17 [registration and licensing board](#), as required in this section shall be subject to prosecution for a
18 misdemeanor and upon conviction of that offense may be punished by a fine of not more than two
19 hundred fifty dollars (\$250) for each offense and shall be responsible for any claims, fines or
20 penalties from any parties resulting from lack of notice. All criminal actions for any violation of
21 this section shall be prosecuted by the attorney general. The attorney general shall prosecute
22 actions to enforce the payment penalties and fines at the request of the director [of the department](#)
23 [of business regulation or the director's designee](#).

24 **5-65-10. Grounds for discipline -- Injunctions.**

25 (a) The board or commission may revoke, suspend, or refuse to issue, reinstate, or reissue
26 a certificate of registration if the board or commission determines after notice and opportunity for
27 a hearing:

28 (1) That the registrant or applicant has violated § 5-65-3.

29 (2) That the insurance required by § 5-65-7 is not currently in effect.

30 (3) That the registrant, licensee or applicant has engaged in conduct as a contractor that is
31 dishonest or fraudulent that the board finds injurious to the welfare of the public.

32 (4) Has violated a rule or order of the board.

33 (5) That the registrant has knowingly assisted an unregistered person to act in violation of
34 this chapter.

1 (6) That a lien was filed on a structure under chapter 28 of title 34 because the registrant
2 or applicant wrongfully failed to perform a contractual duty to pay money to the person claiming
3 the lien.

4 (7) That the registrant has substantially violated state or local building codes.

5 (8) That the registrant has made false or fraudulent statements on his or her application.

6 (9) That a registrant has engaged in repeated acts in violation of this chapter and the
7 board's rules and regulations inclusive of substandard workmanship and any misuse of
8 registration.

9 (10) The board may take disciplinary action against a contractor who performed work or
10 arranged to perform, while the registration was suspended, invalidated or revoked. Deposits
11 received by a contractor and ordered returned are not considered a monetary award when no
12 services or supplies have been received.

13 (11) That the registrant breached a contract.

14 (12) That the registrant performed negligent and/or improper work.

15 (13) That the registrant has advertised with a license number instead of using a
16 registration number.

17 (14) That the registrant has failed to complete a project(s) for construction or a willful
18 failure to comply with the terms of a contract or written warranty.

19 (15) That the registrant has misrepresented his registration status as valid when said
20 registration is suspended, revoked, invalidated, inactive or unregistered as required by the board.

21 (16) That the registrant has failed to pay a fine or comply with any order issued by the
22 board.

23 (17) That the registrant has failed to obtain or maintain the required continuing
24 education/units required by the board, or failed to sign the ~~affidavit~~ [statement](#) required by the
25 board for registration or renewal.

26 (18) When a violation for hiring a non-registered contractor, working as a non-registered
27 contractor, or not maintaining the insurance required is issued, the registration may become
28 invalidated until the violation is resolved or hearing is requested on this offense.

29 (19) That the registrant has violated any of the provisions of chapters 25-3, 28-3, 28-12,
30 28-14, 28-36, 28-50, and/or 37-13. A finding that the registrant has violated any of those chapters
31 shall not be grounds for imposition of a monetary penalty under subsection (c) below.

32 (b) In addition to all other remedies, when it appears to the board that a person has
33 engaged in, or is engaging in, any act, practice or transaction which violates the provisions of this
34 chapter, the board may direct the attorney general to apply to the court for an injunction

1 restraining the person from violating the provisions of this chapter. An injunction shall not be
2 issued for failure to maintain the list provided for in § 5-65-3(h) unless the court determines that
3 the failure is intentional.

4 (c)(1) For each first violation of a particular section of this chapter or any rule or
5 regulation promulgated by the board, a fine not to exceed five thousand dollars (\$5,000) may be
6 imposed after a hearing by the board. Provided, further, that the board at its discretion may, after
7 a hearing, impose an additional fine up to but not to exceed the face value of the contract or the
8 actual damages caused by the contractor, whichever shall be greater. Where the claim is for actual
9 damages the board shall require proof satisfactory to the board indicating said damages. Where
10 corrective work is completed as ordered by the board, the fine assessed may be reduced as
11 determined by the board. Fines and decisions on claims or violations inclusive of monetary
12 awards can be imposed against registered as well as contractors required to be registered by the
13 board.

14 (2) For each subsequent violation of a particular subsection of this chapter or of a rule or
15 regulation promulgated by the board, a fine not to exceed ten thousand dollars (\$10,000) may be
16 imposed after a hearing by the board. All fines collected by the board shall be deposited as
17 general revenues until June 30, 2008 to be used to enforce the provisions of this chapter.
18 Beginning July 1, 2008, all fines collected by the board shall be deposited into a restricted receipt
19 account to be used to enforce the provisions of this chapter.

20 (3) For the first violation of § 5-65-3, only for non-registered contractors, a fine of up to
21 five thousand dollars (\$5,000) for a first offense and up to ten thousand dollars (\$10,000) for each
22 subsequent offense shall be imposed.

23 (d) The hearing officer, upon rendering a conclusion may require the registrant, in lieu of
24 a fine, to attend continuing education courses as appropriate. Failure to adhere to the requirement
25 could result in immediate revocation of registration.

26 (e) The expiration of a registration by operation of law or by order or decision of the
27 board or a court, or the voluntary surrender of registration by the registrant, does not deprive the
28 board of jurisdiction, an action or disciplinary proceeding against the registrant or to render a
29 decision suspending or revoking a registration.

30 (f) In emergency situations, when a registrant is acting to the detriment of the health,
31 welfare and safety of the general public, the ~~board's executive~~ director [of the department of](#)
32 [business regulation or the director's designee](#) may revoke or suspend a registration without a
33 hearing for just cause for a period of thirty (30) days.

34 (g) A registrant may petition the board to partially or completely expunge his or her

1 record provided that notice of said expungement proceedings has been provided to the claimant
2 who was the subject of the violation. For purposes of this subsection "notice" shall consist of a
3 mailing to the last known address of the claimant and need not be actual notice.

4 (h) Any person or contractor, registered or not, who uses another contractor's registration,
5 contractor's registration identification card, or allows another person to use their contractor's
6 registration fraudulently in any way, will be subject to a fine not exceeding ten thousand dollars
7 (\$10,000).

8 (i) When the use of fraudulent advertising entices an individual to hire an unregistered
9 contractor, a fine of up to ten thousand dollars (\$10,000) may be imposed by the board.

10 (j) It shall be unlawful to retain a social security number or copy of the driver's license
11 from a registrant by a building official as a condition of obtaining a permit.

12 (k) The board is further authorized upon certain findings or violations to:

13 (1) Put a lien on property held by a contractor.

14 (2) Take action on registrant when the continuing education requirements have failed to
15 be attained as required in rules and regulations.

16 (3) When upon investigation a complaint reveals: serious code infractions; unsatisfied
17 mechanic's liens; abandonment of a job for a substantial period of time without apparent cause; or
18 any other conduct detrimental to the public, the board can double the fines.

19 (4) Suspend, revoke or refuse to issue, reinstate or reissue a certificate of registration to
20 any registrant who has contracted, advertised, offered to contract or submitted a bid when the
21 contractor's registration is suspended, revoked, invalidated or inactive or unregistered as required
22 by the board.

23 (l) No person shall register as a contractor with the contractors' registration board for the
24 purpose of deceiving or circumventing the registration process by enabling a person whose
25 registration has been suspended or revoked to conduct business. Provided, further, that any person
26 who, in good faith relies on the board or the contractor's registration website for information
27 regarding registration status of another shall be exempt from violations pursuant to this section if
28 the information is not correct. Violators of this section shall be jointly and individually liable for
29 damages resulting from their activities as contractors pursuant to this chapter. Violations of this
30 subsection may result in a revocation of registration and/or fines not to exceed ten thousand
31 dollars (\$10,000) and/or up to one year in jail. Furthermore, the director [of the department of](#)
32 [business regulation or the director's designee](#) shall require that all applicants for registration shall
33 ~~swear by way of affidavit~~ [sign a statement](#) that they are aware of this provision and its
34 implications.

1 (m) Upon receipt of notice of a final determination, after the exhaustion of all appeals, by
2 the department of labor and training, consent agreement, or court order that a registered
3 contractor violated any of the provisions of chapters 25-3, 28-3, 28-12, 28-14, 28-36, 28-50,
4 and/or 37-13 and owes any wages, benefits or other sums arising out of such violation, the board
5 shall immediately suspend the contractor's registration of such contractor in accordance with this
6 subsection. The suspension shall continue until all wages, benefits, or other sums owed have been
7 paid or the contractor has entered into a written, binding agreement to pay the same acceptable to
8 the department of labor and training and is not in default in payment under such agreement. If the
9 contractor fails to remain current in payment under any such agreement, the department of labor
10 and training shall notify the contractors' registration board and the suspension shall be imposed or
11 reinstated as the case may be. The foregoing sanction is mandatory, but shall not be grounds for
12 imposition of a monetary penalty under subsection (c) above.

13 (n) When the registration of a contractor has been revoked or suspended, neither the
14 contractor nor any successor entity or sole proprietorship that: (1) Has one or more of the same
15 principals or officers as the partnership, limited partnership, limited liability partnership, joint
16 venture, limited liability company, corporation, or sole proprietorship as the subject contractor;
17 and (2) Is engaged in the same or equivalent trade or activity shall be qualified to register or
18 retain a registration as a contractor under this chapter, unless and until the board shall determine
19 that the basis of the revocation or suspension has been satisfied or removed and that the registrant
20 or applicant otherwise satisfies the requirements for registration under this chapter.
21 Notwithstanding the foregoing, a natural person may obtain relief from the application and
22 enforcement of this subsection as to him or her, if he or she can establish that he or she was not
23 responsible for, and did not acquiesce to the misconduct which is the basis of the revocation,
24 suspension or denial of registration.

25 **5-65-15. Officers -- Quorum -- Compensation and expenses.**

26 (a) The board shall select from among its members a chairperson, a vice chairperson and
27 any other officers for the terms and with the duties and powers necessary for the performance of
28 their duties that the board determines.

29 (b) A majority of the members of the board shall constitute a quorum for the transaction
30 of business.

31 (c) The board shall have ~~an executive director~~ a member of staff who shall attend all
32 meetings and shall direct the conduct of any investigation which may be necessary in the
33 preparation of any hearing. ~~The executive director shall be a member of the classified service on~~
34 ~~the staff of the state building commissioner and shall be compensated as appropriate for the~~

~~required expertise.~~

5-65-15.1. Staff.

(a) The state building code commission shall provide the board with appropriate staff, including hearing officials and investigators, who shall perform their duties under the administrative supervision of the ~~executive~~ director of the department of business regulation or the director's designee.

(b) The board may delegate the powers, functions and duties to the provided staff.

5-65-20. Administrative hearings.

(a) Contested claims or cases, contested enforcement proceedings, and contested administrative fines shall be heard, in accordance with the Administrative Procedures Act, chapter 35 of title 42, and the administrative regulations promulgated by the board, by the hearings officer(s) assigned by the ~~executive~~ director of the department of business regulation or the director's designee ~~of the board.~~

(b) The board has jurisdiction to hear appeals from decisions of the hearing officer(s), and may by regulation impose a filing fee, not to exceed twenty dollars (\$20.00), for any appeal.

(c) Notwithstanding the preceding, the ~~executive~~ director of the department of business regulation or the director's designee ~~for the board~~ is authorized to resolve contested enforcement or claim proceedings through informal disposition pursuant to regulations promulgated by the board.

SECTION 5. Section 5-65.2-3 of the General Laws in Chapter 5-65.2 entitled "Rhode Island Well-Drilling, Pump Installers, and Water-Filtration Contractors Licensing Law" is hereby amended to read as follows:

5-65.2-3. Licensing procedure.

(a) In addition to the provisions of chapter 65 of title 5, the contractors' registration and licensing board is authorized to establish a program to license well-drilling contractors, pump installers, water-filtration/treatment-system contractors, and water-filtration/treatment-system installers to ensure persons performing well-drilling work, pump installation, and residential water-filtration/treatment-system installation as properly qualified to conduct the work. On or before January 1, 2017, the board shall promulgate regulations to establish a licensing program that provides for appropriate categories of work to ensure proper qualifications pertaining to the use of different equipment and approaches to construct, install, repair, alter, or remove wells, well pumps, water-supply systems, residential water-treatment/supply systems, and water-filtration systems, and that will allow well-drilling contractors, pump installers, or residential water-filtration/treatment-system contractors and residential water-filtration/treatment-system installers,

1 as described herein, to fulfill the relevant requirements of chapter 65 of title 5 through the
2 licensing program. Upon promulgation of applicable regulations, the license issued by the board
3 to a contractor shall serve to fulfill the contractor registration requirements of chapter 65 of title
4 5.

5 (b) Pursuant to board regulations, all persons seeking to be licensed as a well-drilling
6 contractor, pump installer, residential water-filtration/treatment-system contractor, or residential
7 water-filtration/treatment-system installer as defined herein shall submit an application to the
8 contractors' registration and licensing board on the form or forms that the board requires. As
9 specified by the board, the application shall include the following information:

10 (1) The name of the applicant;

11 (2) The business address of the applicant;

12 (3) The mailing address of the applicant;

13 (4) The telephone number of the applicant;

14 (5) Any registration number and/or other license numbers issued by the state, or any city
15 or town;

16 (6) A statement of the skills, training, and experience of the applicant sufficient to ensure
17 public safety, health and welfare; and

18 (7) Agent of service for out-of-state contractors.

19 (c) To be eligible for licensure as a well-drilling contractor, pump installer, residential
20 water-filtration/treatment-system contractor, or residential water-filtration/treatment-system
21 installer, an applicant shall also fulfill the following requirements:

22 (1) ~~Be of good moral character;~~

23 ~~(3)~~ 2) Pass appropriate examinations approved or administered by the contractors'
24 registration and licensing board, unless otherwise exempted in accordance with § 5-65-3(g), and
25 has met all the requirements of the rules and regulations established by the board;

26 ~~(4)~~ 3) Be in good standing with the contractors' registration and licensing board;

27 (4) Take five (5) hours continuing education per year as set forth and recognized by the
28 contractors' registration and licensing board.

29 (d) The contractors' registration and licensing board is authorized to adopt rules and
30 regulations pursuant to the Administrative Procedures Act, chapter 35 of title 42, necessary to
31 effectuate the purpose of this chapter. Rules and regulations shall provide a fine schedule, which
32 will establish grounds for discipline for license holders or non-licensed contractors. Fines shall be
33 structured not to exceed five thousand (\$5,000) dollars per day, per offense for conduct injurious
34 to the welfare of the public, as well as those required pursuant to § 5-65-10.

1 (e) Any person applying for a license or registration and making any material
2 misstatement as to his or her experience or other qualifications, or any person, firm, or
3 corporation subscribing to or vouching for any misstatement, shall be subject to the discipline and
4 penalties provided in § 5-65-10.

5 (f) No corporation, firm, association, or partnership shall engage in the business of well
6 drilling, pump installation, water-filtration/treatment-system contracting, or represent itself as a
7 well-drilling contractor, pump installer, or water-filtration/treatment-system contractor, unless a
8 licensed well-drilling contractor, pump installer, or water-filtration/treatment-system contractor,
9 as provided in this chapter, is continuously engaged in the supervision of its well-drilling, pump-
10 installing, or water-filtration/treatment-system contracting work. If the license holder dies or
11 otherwise becomes incapacitated, the corporation, firm, or association shall be allowed to
12 continue to operate until the next examination shall be given or such times as the board shall see
13 fit. In no event, shall the corporation, firm, association, or partnership continue to operate longer
14 than twelve (12) months or in accordance with the board's established rules and regulations
15 without satisfying the license requirements of this chapter.

16 (g) Those well-drilling contractors who were previously registered with the department of
17 environmental management, and remain in good standing as of December 31, 2012, and that were
18 previously exempted from fulfilling the testing requirements required for registration by the
19 department, shall also be exempt from the testing requirements set forth in this chapter.

20 (h) Prior to January 1, 2018, the authority shall, without examination, upon receipt of the
21 fees required in this chapter, issue through the contractors' registration and licensing board a
22 residential water-filtration/treatment-system installer's license to any applicant who shall present
23 satisfactory evidence that they have the qualifications for the type of license applied for. After
24 January 1, 2018, in order to qualify for a residential water-filtration/treatment installer's license
25 the eligible individual shall be required to pass a written examination and show proof as required
26 by the contractors' registration and licensing board of their eligibility.

27 (i) Satisfactory evidence shall be any of the following that is applicable:

28 (1) The applicant must have been employed by a contractor registered with the
29 contractors' registration and licensing board to do business designating water-filtration/treatment-
30 system installation and/or service as a service provided for the previous one year and been
31 actively engaged in the installation and servicing of water-filtration/treatment systems during that
32 time period; or

33 (2) ~~Notarized confirmation~~ Confirmation by three (3) water-filtration/treatment-system
34 contractors that the applicant has the requisite training and experience to be licensed under this

1 act.

2 (j) Prior to January 1, 2018, the authority shall, without examination, upon receipt of the
3 fees required in this chapter, issue through the contractors' registration and licensing board, a
4 residential water-filtration/treatment-system contractor's license to any applicant who shall
5 present satisfactory evidence that they have the qualifications for the type of license applied for.
6 After January 1, 2018, in order to qualify for a residential water-filtration/treatment contractor's
7 license, the eligible contractor shall be required to pass a written examination and show proof, as
8 required by the contractors' registration and licensing board, of their eligibility.

9 (k) Satisfactory evidence shall be any of the following that is applicable:

10 (1) The owner or owners of an enterprise must have been active in water filtration for the
11 previous two (2) years; or

12 (2) The contractor has been previously registered with the contractors' registration and
13 licensing board to do business designating water-filtration/treatment system installation and/or
14 service as a provided service; or

15 (3) ~~Notarized confirmation~~ Confirmation by three (3) water-filtration/treatment-system
16 contractors that the applicant has the requisite training and experience to be licensed under this
17 act.

18 SECTION 6. Section 5-71-8 of the General Laws in Chapter 5-71 entitled "Licensure of
19 Interpreters for the Deaf" is hereby amended to read as follows:

20 **5-71-8. Qualifications of applicants for licenses.**

21 (a) To be eligible for licensure by the board as an interpreter for the deaf or transliterator,
22 the applicant must submit written evidence on forms furnished by the department, ~~verified by~~
23 ~~oath~~, that the applicant meets all of the following requirements:

24 (1) Is of good moral character;

25 (2) Meets the screened requirements as defined in regulations promulgated by the
26 department or meets the certification requirements set forth by RID or its successor agency
27 approved by the department in consultation with the board;

28 (3) Pays the department a license fee as set forth in § 23-1-54;

29 (4) Adheres to the National Association of the Deaf (NAD) and the Registry of
30 Interpreters for the Deaf, Inc., (RID) code of professional conduct; and

31 (5) Provides verification of a background check with the bureau of criminal investigation
32 in the office of attorney general at the time of the initial application for license.

33 (b) To be eligible for licensure by the board as an educational interpreter for the deaf, the
34 applicant must meet all of the requirements as described in subsection (a) and must further

1 present proof of successful completion of the educational interpreter performance assessment
2 (EIPA), written and performance tests, or a similar test as approved by the board, at a
3 performance level established by the board.

4 (c) An individual whose license, certification, permit, or equivalent form of permission
5 issued within another state has been revoked, suspended, or currently placed on probation shall
6 not be eligible for consideration for licensure unless they have first disclosed to the department
7 about such disciplinary actions.

8 SECTION 7. Section 5-73-3 of the General Laws in Chapter 5-73 entitled "Roofing
9 Contractors" is hereby amended to read as follows:

10 **5-73-3. Registration and licensing of roofing contractors.**

11 (a) All roofing contractors, in addition to the requirements of chapter 65 of this title
12 entitled "Contractors' Registration and Licensing Board", if applicable, prior to conducting
13 roofing business in the state of Rhode Island, shall first submit an application to and be licensed
14 by the contractors' registration and licensing board on the form or forms that the board requires.
15 The application shall include the following information:

- 16 (1) The name of the applicant;
17 (2) The business address of the applicant;
18 (3) The mailing address of the applicant;
19 (4) The telephone number of the applicant;
20 (5) The name of the party or officer who shall be responsible for all roofing activities
21 conducted in the state of Rhode Island;
22 (6) Any registration number and/or other license numbers issued by the state, or any city
23 or town; and
24 (7) A statement of the skills, training and experience of the applicant sufficient to ensure
25 public safety, health and welfare.

26 (b) Licensing requirements shall not apply to roofing contractors applying shingles only.

27 (c) To be eligible for licensure as a roofing contractor an applicant shall also fulfill the
28 following requirements:

- 29 (1) Be of good moral character;
30 (2) Pass an examination approved or administered by the contractors' registration [and](#)
31 [licensing](#) board or has previously been registered as a commercial roofer in good standing and has
32 met all the requirements of the rules and regulations established by the board;

33 (3) Be in good standing with the contractors' registration and licensing board;

34 ~~(4) All field personnel of the roofing contractor must have a current certificate of~~

~~completion of the ten (10) hours OSHA safety course or equivalent thereof as determined by the contractors' registration and licensing board;~~

~~(5)~~ (4) Take ten (10) hours continuing roofing education per ~~year~~ two-year licensing cycle as set forth and recognized by the contractors' registration board;

~~(6) Be bonded in the aggregate amount of the total dollar value of any contract entered into to perform roofing work; single project in the amount of one hundred thousand dollars (\$100,000) minimum; and~~

~~(7)~~ (5) Provide the board with an insurance certificate in the amount of ~~one million five hundred thousand dollars (\$1,500,000)~~ two million dollars (\$2,000,000) per occurrence pursuant to the established rules and regulations, with the board as the holder, from the date of issuance, continuously.

(d)(1) The contractors' registration and licensing board is authorized to adopt rules and regulations pursuant to the Administrative Procedures Act, chapter 35 of title 42, necessary to effectuate the purposes of this chapter.

(2) Rules and regulations shall provide a fine schedule, which will establish grounds for discipline for licensee holders or non-licensed contractors.

(3) Fines shall be structured not to exceed five thousand dollars (\$5,000) per day per offense for conduct injurious to the welfare of the public as well as those required pursuant to § 5-65-10.

(e) Any person applying for a license or registration and making any material misstatement as to his or her experience or other qualifications, or any person, firm, or corporation subscribing to or vouching for any misstatement shall be subject to the discipline and penalties provided in § 5-65-10.

(f) No corporation, firm, association, or partnership shall engage in the business of commercial roofing or represent itself as a commercial roofing contractor unless a licensed commercial roofer as provided in this chapter is continuously engaged in the supervision of its commercial roofing work, provided that the commercial roofer is a general partner or an officer and shareholder in the firm or corporation. If the license holder dies or otherwise becomes incapacitated, the corporation, firm, or association shall be allowed to continue to operate until the next examination shall be given or such times as the board shall see fit. In no event, shall the corporation, firm, association, or partnership continue to operate longer than twelve (12) months or in accordance with the board's established rules and regulations without satisfying the license requirements of this chapter. Those roofers who have been registered with the board on July 1, ~~2003~~ 2015, and remain in good standing, shall be exempt from the testing requirements set forth

1 in this chapter.

2 (g) Complaints filed with the board shall be heard only in regard to those issues so
3 established in the rules and regulations.

4 SECTION 8. Chapter 9-5 of the General Laws entitled "Writs, Summons and Process" is
5 hereby amended by adding thereto the following section:

6 **9-5-10.7. Penalties.**

7 Any constable who violates any of the provisions of this chapter or any regulations
8 promulgated hereunder pertaining to constables or any person who engages in activities requiring
9 certification as a constable without such certification shall be subject to payment of a civil penalty
10 not to exceed one thousand dollars (\$1,000) for each violation.

11 SECTION 9. Section 11-18-12 of the General Laws in Chapter 11-18 entitled "Fraud and
12 False Dealing" is hereby amended to read as follows:

13 **11-18-12. Injunction of false advertising.**

14 When it appears to the director of ~~business regulation~~ labor and training of the state of
15 Rhode Island that any person, firm, corporation, or association is violating any of the provisions
16 of § 11-18-10, the director of ~~business regulation~~ labor and training may cause to be instituted an
17 action, commenced in the name of the director of ~~business regulation~~ labor and training in his
18 capacity as director of ~~business regulation~~ labor and training, to enjoin the violation in the
19 superior court and the court shall have jurisdiction to enjoin and/or restrain any person, firm,
20 corporation or association from violating any of the provisions of § 11-18-10 without regard to
21 whether criminal proceedings have been or may be instituted.

22 SECTION 10. Section 23-19.14-4 of the General Laws in Chapter 23-19.14 entitled
23 "Industrial Property Remediation and Reuse Act" is hereby amended to read as follows:

24 **23-19.14-4. Objectives of environmental clean-up.**

25 (a) The department of environmental management will develop, maintain and publish
26 numerical objectives for the most commonly found hazardous substances. These objectives will
27 be applicable for the clean-up of contaminated properties to levels which are protective of human
28 health and the environment based on current and reasonably foreseeable future use of a property
29 and the surrounding natural resources. To further ensure the safety of school children while
30 attending school, the department of environmental management, shall:

31 (1) Adopt numerical objectives for properties dedicated to school use equivalent to the
32 numerical objectives set by the department for residential use of such properties;

33 (2) Evaluate chemicals of concern for vapor intrusion and adopt numerical objectives for
34 those contaminants in soil and groundwater where such standards do not already exist in

1 regulation and apply the numerical objectives for residential use established for said chemicals
2 and petroleum to properties dedicated to school use; and

3 (3) Develop and adopt procedures for determining whether levels of chemicals of
4 potential concern for vapor intrusion and petroleum in soil or groundwater pose a reasonable
5 potential for migration of contaminated vapors or gases into structures to be utilized as school
6 facilities.

7 (b)(1) The construction of any new school building; or

8 (2) Construction of an addition to any existing school building; or

9 (3) Leasing of any portion of an existing building to serve as a school shall be prohibited
10 on any portion of a parcel of property for which, upon occupancy, there exists an ongoing
11 potential for hazardous materials and/or petroleum to migrate as vapors or gases into the building
12 from the subsurface of the parcel of property, unless:

13 (i) At a property where concentrations of chemicals of potential concern for vapor
14 intrusion or petroleum in the subsurface exceed the residential direct exposure criteria in soil,
15 source areas of said chemicals or petroleum within the vadose zone of the site that includes said
16 property shall be remediated:

17 (A) Through the physical removal of said chemicals or petroleum through excavation or
18 in situ treatment; and

19 (B) The school building shall be equipped with both a passive sub slab ventilation system
20 capable of conversion to an active system and a vapor barrier beneath the school building or
21 incorporated in the concrete slab, all in compliance with an approved department of
22 environmental management remedial action work plan and completed prior to the occupancy of
23 the school;

24 (ii) At a property where concentrations of chemicals of potential concern for vapor
25 intrusion or petroleum in the subsurface do not exceed the residential direct exposure criteria in
26 soil but contamination exists on the property due to the presence of any chemicals of potential
27 concern for vapor intrusion or petroleum in groundwater, the department of environmental
28 management shall:

29 (A) Require the property's owner or operator to prepare a site specific conceptual site
30 model and conduct soil gas sampling to determine the location of the source area of said
31 chemicals or petroleum in the site's vadose zone;

32 (B) Evaluate the results of said model and sampling to determine if levels of any
33 chemicals of potential concern for vapor intrusion or petroleum could migrate as vapors or gases
34 into the occupied portions of the building where the school is proposed based on procedures

1 developed pursuant to this chapter; and

2 (C) Where the department determines that the conceptual site model and environmental
3 sampling demonstrates that there is a credible threat of ~~reasonable potential for~~ migration of
4 contaminated vapors or gases into the proposed school buildings ~~is determined to exist~~, the
5 department shall require remediation to eliminate said potential as follows:

6 (I) Where the source area is located on the site that includes said property, requiring the
7 physical removal of said chemicals or petroleum in the source area in the vadose zone through
8 excavation or in situ treatment; provided, the concentrations of said chemicals or petroleum in
9 said source area exceed the direct residential exposure criteria in soil; and

10 (II) Requiring the installation of both a passive sub slab ventilation system capable of
11 conversion to an active system and a vapor barrier beneath the school building or incorporated in
12 the concrete slab, all in compliance with an approved department of environmental management
13 remedial action work plan and completed prior to the occupancy of the school; and, provided
14 further, should monitoring of a passive sub-slab ventilation system indicate that active ventilation
15 is necessary to protect the health and safety of users of a school equipped with a passive system,
16 the department of environmental management shall require conversion of the passive system to
17 an active system along with financial assurances to provide for the funding of the operation and
18 monitoring of said active system for as long as active ventilation is deemed necessary by the
19 department.

20 (iii) At a property where concentrations of chemicals of potential concern for vapor
21 intrusion or petroleum in the subsurface do not exceed the residential direct exposure criteria in
22 soil on the site that includes said property, and where the department has determined that levels of
23 any chemicals of potential concern for vapor intrusion or petroleum will not present a reasonable
24 potential for migration of contaminated vapors or gases into structures to be utilized as school
25 facilities on the property, the property may be used for school purposes subject to any conditions
26 that the department of environmental management may impose pursuant to this chapter.

27 (c) The construction of any school building, or construction of an addition to any existing
28 school building, or leasing of any portion of an existing building to serve as a school on any
29 portion of a parcel of property formerly used for industrial, manufacturing or landfill purposes
30 that is contaminated by hazardous materials, shall be prohibited unless at least thirty (30) days
31 prior to selecting the location for construction or leasing the building the project sponsor
32 undertakes all of the following measures with ten (10) days prior written notice to the public of
33 each measure undertaken:

34 (1) Prepares and posts on the sponsor's website a written report that: (i) Projects the costs

1 to acquire or lease the property, and to cleanup and maintain the property in accordance with the
2 department of environmental management's Rules and Regulations for the Investigation and
3 Remediation of Hazardous Material Releases (the Remediation Regulations); (ii) Projects the
4 time period required to complete a cleanup of the property for school purposes prior to occupancy
5 by obtaining either an Interim Letter of Compliance, a Letter of Compliance or a Non-
6 Jurisdictional Letter indicating that the property is not jurisdictional under the Remediation
7 Regulations of the department of environmental management; (iii) Discusses the rationale for
8 selecting the property for use as school purposes and an explanation of any alternatives to
9 selecting said property considered by the project sponsor;

10 (2) Solicits written comments on the report prepared pursuant to subdivision (1) of this
11 subsection for a period of at least thirty (30) days after posting said report on the sponsors website
12 and conducts a public hearing during said thirty (30) day period at which public comment is taken
13 on said report; and

14 (3) Prepares a second written report that summarizes and responds to the public
15 comments received during the public comment period and at the public hearing and posts said
16 second report on the sponsor's website.

17 (d) The sponsor of any school project subject to the provisions of subsection (c) of this
18 section shall consider the results and findings contained in the reports required by subsection (c)
19 when selecting the location of said project.

20 (e) As used in this section.

21 (1) The term "school" means any residential or non-residential school building, public,
22 private or charter, of any city or town or community educational system regulated, directly or
23 secondarily, by the council on elementary and secondary education or the department of
24 elementary and secondary education or any other state education board or local city or town
25 school board or school committee or other legal educational subdivision acting under it. As used
26 in this chapter, the term "school or schools" includes, but is not limited to, school playgrounds,
27 school administration buildings, indoor school athletic facilities, school gymnasiums, school
28 locker rooms, and similar school buildings. A school shall not include any institutions for
29 education of adults (e.g. colleges, universities, graduate schools, trade schools) or child-care
30 facilities as regulated by the department of children, youth and families.

31 (2) The term "landfill" means for the purposes of this section, any portion of a parcel of
32 property that was used as a landfill as defined in § 23-19.1-4 or a sanitary landfill, dump or other
33 disposal area where more than thirty (30) cubic yards of solid waste was disposed.

34 (3) The term "hazardous materials" means any materials defined as hazardous materials

1 pursuant to § 23-19.14-3.

2 (4) The term "solid waste" means any materials defined as solid waste pursuant to § 23-
3 18.9-7.

4 (5) The term "chemicals of potential concern for vapor intrusion" means those chemicals
5 that the U.S. Environmental Protection Agency recommends for routine evaluation during vapor
6 intrusion assessments in said Agency's most recent guidance on the assessment of vapor intrusion
7 into indoor air from subsurface sources, and any other chemicals that the department of
8 environmental management may recommend for said routine evaluation.

9 (6) The term "source area" means the horizontal and vertical extent of natural or man-
10 made media impacted by a release of hazardous materials or causing a release of hazardous
11 materials at concentrations in excess of the numerical objectives developed pursuant to paragraph
12 (a) of this section.

13 (7) The term "vadose zone" means the full extent of the soil column existing above the
14 elevation of groundwater.

15 (8) The term "conceptual site model" means a written and/or illustrative representation of
16 the physical, chemical and biological processes that control the transport, migration and actual or
17 potential impacts of hazardous materials in soil, air, groundwater, surface water and/or sediments
18 to human and/or ecological receptors at a site.

19 (f) The provisions of this section shall not apply to the renovation or reconstruction of
20 any building for school purposes that was used continuously as a school for a period of at least
21 twenty-five (25) years where: (1) The footprint of the building after renovation or reconstruction
22 does not exceed more than five percent (5%) of the current footprint of the building; and (2) The
23 site of the building is not subject to a remedial action work plan approved by the department of
24 environmental management.

25 SECTION 11. Sections 23-26-7.1, 23-26-11 through 23-26-13, 23-26-15, 23-26-25
26 through 23-26-27, 23-26-30 and 23-26-31 Chapter 23-26 of the General Laws entitled "Bedding
27 and Upholstered Furniture" are hereby amended to read as follows:

28 **23-26-7.1. Sterilization, disinfection and disinfestation of bedding and materials.**

29 (a) No person shall sell, offer for sale or include in a sale any item of secondhand bedding
30 or any item of bedding of any type manufactured in whole or in part from secondhand material,
31 including their component parts or wiping rags, unless such material has been sterilized,
32 disinfected and cleaned, by a method approved by the department of business regulation;
33 provided, further, that any product used for sterilization or disinfection of secondhand bedding
34 must be registered as consumer and health benefit products and labeled for use on bedding and

upholstered furniture by the EPA in accordance with § 23-25-6 of this title. The department of business regulation shall promulgate rules and regulations consistent with the provisions of this chapter.

(b) No person shall use in the manufacture, repair and renovation of bedding of any type any material which has been used by a person with an infectious or contagious disease, or which is filthy, oily or harbors loathsome insects or pathogenic bacteria.

(c) No person shall sell, or offer for sale or include in a sale any material or bedding which under the provisions of this chapter or regulations requires treatment unless there is securely attached in accordance with regulations, a yellow tag not less than twelve square inches in size, made of substantial cloth or a material of equal quality. Upon the tag there shall be plainly printed, in black ink, in the English language, a statement showing:

(1) That the item or material has been treated by a method approved by the department of business regulation, and the method of treatment applied.

(2) The lot number and the tag number of the item treated.

(3) The ~~license~~ [registration](#) number of the person applying treatment.

(4) The name and address of the person for whom treated.

(d) The tag required by this section shall be in addition to any other tag required pursuant to the provisions of this chapter. Holders of ~~licenses~~ [registrations](#) to apply sterilization, disinfection or disinfestation treatment shall be required to keep an accurate record of all materials which have been subjected to treatment, including the source of material, date of treatment, and the name and address of the receiver of each. Such records shall be available for inspection at any time by authorized representatives of the department.

(e) Violations of this section shall be punishable by a fine not to exceed five hundred dollars (\$500).

23-26-11. Counterfeit stamps and ~~permits~~ registrations.

No person shall have in his or her possession or shall make, use, or sell any counterfeit or colorable imitation of the inspection stamp or ~~permit~~ [registration](#) required by this chapter. Each counterfeited or imitated stamp or ~~permit~~ [registration](#) made, used, sold, offered for sale, delivered, or consigned for sale contrary to the provisions of this chapter shall constitute a separate offense.

23-26-12. Sterilization ~~permits~~ registrations.

Any sterilization process, before being used in connection with this chapter, must receive the approval of the director. Every person, firm, or corporation desiring to operate the sterilization process shall first obtain a numbered ~~permit~~ [registration](#) from the director and shall not operate the process unless the ~~permit~~ [registration](#) is kept conspicuously posted in the establishment. Fee

1 for original ~~permit~~ [registration](#) shall be eighty-four dollars (\$84.00). Application for the ~~permit~~
2 [registration](#) shall be accompanied by specifications in duplicate, in such form as the director shall
3 require. Each ~~permit~~ [registration](#) shall expire one year from date of issue. Fee for annual renewal
4 of a sterilizing ~~permit~~ [registration](#) shall be one-half (1 / 2) the original fee.

5 **23-26-13. Contents of tag on bedding articles for sale.**

6 Every article of bedding made for sale, sold, or offered for sale shall have attached
7 thereto a tag which shall state the name of the material used, that the material used is new, or
8 second-hand and, when required to be sterilized, that the material has been sterilized, and the
9 number of the sterilizing ~~permit~~ [registration](#). The tag shall also contain the name and address of
10 the maker or the vendor and the registry number of the maker. All tags attached to new articles
11 shall be legibly stamped or marked by the retail vendor with the date of delivery to the customer.

12 **23-26-15. Contents of tag on shipments of filling material.**

13 Any shipment or delivery, however contained, of material used for filling articles of
14 bedding shall have firmly and conspicuously attached thereto a tag which shall state the name of
15 the maker, preparer or vendor, and the address of the maker, preparer, or vendor, the name of the
16 contents and whether the contents are new or second-hand, and, if sterilized, the number of the
17 sterilizing ~~permit~~ [registration](#).

18 **23-26-25. Rules, regulations, and findings -- Suspension or revocation of ~~permits~~**
19 **registrations. [Effective until July 1, 2019.]**

20 The director is hereby authorized and empowered to make general rules and regulations
21 and specific rulings, demands, and findings for the enforcement of this chapter, in addition hereto
22 and not inconsistent herewith. The director may suspend or revoke any ~~permit-or~~ registration for
23 violation of any provision of this chapter, or any rule, regulation, ruling, or demand made
24 pursuant to the authority granted by this chapter.

25 **23-26-25. Rules, regulations, and findings -- Suspension or revocation of ~~permits~~**
26 **registrations. [Effective July 1, 2019.]**

27 (a) The director is hereby authorized and empowered to make general rules and
28 regulations and specific rulings, demands, and findings for the enforcement of this chapter, in
29 addition hereto and not inconsistent herewith. The director may suspend or revoke any ~~permit-or~~
30 registration for violation of any provision of this chapter, or any rule, regulation, ruling, or
31 demand made pursuant to the authority granted by this chapter.

32 (b) The director of the department of health shall investigate and enforce the provisions
33 of § 23-26-3.1, and promulgate rules and regulations deemed necessary to enforce it.

34 **23-26-26. Appeal of director's decisions.**

Any person aggrieved by the action of the director in denying an application for a ~~permit~~
~~or for~~ registration, or in revoking or suspending any permit or registration, or by any order or
decision of the director, shall have the right to appeal to the supreme court and the procedure in
case of the appeal shall be the same as that provided in § 42-35-15.

23-26-27. Penalty for violations. [Effective until July 1, 2019.]

Any person who:

(1) Makes, remakes, renovates, sterilizes, prepares, sells, or offers for sale, exchange, or
lease any article of bedding as defined by § 23-26-1, not properly tagged as required by this
chapter; or

(2) Uses in the making, remaking, renovating, or preparing of the article of bedding or in
preparing cotton or other material therefor which has been used as a mattress, pillow, or bedding
in any public or private hospital, or which has been used by or about any person having an
infectious or contagious disease, and which after such use has not been sterilized and approved
for use, by the director of business regulation; or

(3) Counterfeits or imitates any stamp or ~~permit~~ [registration](#) issued under this chapter
shall be guilty of a misdemeanor, punishable by a fine of not more than five hundred dollars
(\$500) or by imprisonment for not more than six (6) months or both.

23-26-27. Penalty for violations. [Effective July 1, 2019.]

Any person who:

(1) Makes, remakes, renovates, sterilizes, prepares, sells, or offers for sale, exchange, or
lease any article of bedding as defined by § 23-26-1, not properly tagged as required by this
chapter; or

(2) Uses in the making, remaking, renovating, or preparing of the article of bedding or in
preparing cotton or other material therefor that has been used as a mattress, pillow, or bedding in
any public or private hospital, or that has been used by or about any person having an infectious
or contagious disease, and that after such use has not been sterilized and approved for use, by the
director of business regulation; or

(3) Counterfeits or imitates any stamp or ~~permit~~ [registration](#) issued under this chapter
shall be guilty of a misdemeanor, punishable by a fine of not more than five hundred dollars
(\$500) or by imprisonment for not more than six (6) months or both.

(4) Any person or entity who or that violates the provisions of § 23-26-3.1 shall be civilly
fined not to exceed five thousand dollars (\$5,000) for the first violation and up to ten thousand
dollars (\$10,000) for each subsequent violation.

23-26-30. ~~License~~ Registration required -- Application -- Issuance and term of

1 **License registration.**

2 No person shall be engaged: (1) as a manufacturer of articles of bedding for sale at
3 wholesale; (2) as a manufacturer of articles of bedding for sale at retail; (3) as a supply dealer; (4)
4 as a repairer-renovator; or (5) as a retailer of second-hand articles of bedding, unless he or she has
5 obtained the appropriate numbered [license registration](#) therefor from the director, who is hereby
6 empowered to issue the [license registration](#). Application for the [license registration](#) shall be made
7 on forms provided by the director and shall contain such information as the director may deem
8 material and necessary. Based on the information furnished in the application and on any
9 investigation deemed necessary by the director, the applicant's classification shall be determined.
10 Each [license registration](#) issued by the director pursuant to this section shall be conspicuously
11 posted in the establishment of the person to whom issued. The director may withhold the issuance
12 of a [license registration](#) to any person who shall make any false statement in the application for a
13 [license registration](#) under this chapter. The director shall promulgate rules and regulations
14 mandating the term of [license registration](#) for each category of [license registration](#) issued pursuant
15 to this chapter; however, no [license registration](#) shall remain in force for a period in excess of
16 three (3) years. The fee for the initial issuance or renewal of a [license registration](#) shall be
17 determined by multiplying the per annum fee by the number of years in the term of the [license](#)
18 [registration](#). The entire fee must be paid in full for the total number of years of [license registration](#)
19 prior to the issuance of the [license registration](#).

20 **23-26-31. Fees.**

21 (a) The per annum fees imposed for [licenses registrations](#) issued pursuant to § 23-26-30
22 shall be as follows:

23 (1) Every applicant classified as a manufacturer of articles of bedding for sale at
24 wholesale or retail or as a supply dealer shall pay, prior to the issuance of a general [license](#)
25 [registration](#), a per annum fee of two hundred ten dollars (\$210) and the [licensee registrant](#) may be
26 engaged in any or all of the following:

- 27 (i) Manufacture of articles of bedding for sale at wholesale;
- 28 (ii) Manufacture of articles of bedding for sale at retail;
- 29 (iii) Supply dealer;
- 30 (iv) Repairer-renovator.

31 (2) Every applicant classified as a repairer-renovator or retailer of second-hand articles of
32 bedding shall pay, prior to the issuance of a limited [license registration](#), a per annum fee of sixty
33 dollars (\$60.00), and the [licensee registrant](#) may be engaged in any or all of the following:

- 34 (i) Repairer-renovator;

1 (ii) Retailer of second-hand articles of bedding; provided, however, that if a ~~licensee~~
2 registrant is reclassified from one category to another which calls for a higher ~~license~~ registration
3 fee, he or she shall pay a pro rata share of the higher ~~license~~ registration fee for the unexpired
4 period and shall be issued a new ~~license~~ registration to expire on the expiration date of the
5 original ~~license~~ registration.

6 (b) If, through error, a ~~licensee~~ registrant has been improperly classified as of the date of
7 issue of his or her current ~~license~~ registration, the proper fee for the entire period shall be payable.
8 Any overpayment shall be refunded to the ~~licensee~~ registrant. No refunds shall be allowed to any
9 ~~licensee~~ registrant who has discontinued business, or whose ~~license~~ registration has been revoked
10 or suspended or who has been reclassified to a category calling for a greater or lesser ~~license~~
11 registration fee, except as provided herein. The fee shall be paid to the director of business
12 regulation. For reissuing a revoked or expired ~~license~~ registration the fee shall be the same as for
13 an original ~~license~~ registration.

14 (c) All payments for registration fees, sterilization process, ~~permits~~, fines and penalties,
15 and other money received under this chapter shall constitute inspection fees for the purpose of
16 enforcing this chapter.

17 SECTION 12. Section 31-36.1-3 of the General Laws in Chapter 31-36.1 entitled "Fuel
18 Use Reporting Law" is hereby amended to read as follows:

19 **31-36.1-3. Motor carrier license and identification -- Temporary licenses.**

20 (a) Each carrier operating a qualified motor vehicle in two (2) or more jurisdictions shall
21 apply to the administrator for a motor carrier fuel use license upon forms approved by the
22 administrator and there shall be no fee for this license. ~~be shall upon application, pay a license fee~~
23 ~~of ten dollars (\$10.00).~~ The license shall remain in effect until surrendered or revoked under the
24 provisions of § 31-36.1-4. The tax administrator shall, in addition, provide identification devices
25 in the quantity requested to each licensed motor carrier. One such device must be displayed on
26 the exterior portion of each side of the cab of each qualified motor vehicle. ~~The fee for such~~
27 ~~identification device shall be ten dollars (\$10.00) per qualified motor vehicle.~~ Identification
28 devices shall be issued each year by the administrator and shall be displayed on or before March
29 1.

30 (b) The administrator may refuse to issue a license if the application for it:

31 (1) Is filed by a motor carrier whose license at any time theretofore has been revoked by
32 the administrator.

33 (2) Contains any misrepresentation, misstatement, or omission of material information
34 required by the application.

1 (3) Is filed by some other motor carrier as a subterfuge of the real motor carrier in interest
2 whose license or registration previously has been revoked for cause by the administrator.

3 (4) Is filed by any motor carrier who is delinquent in the payment of any fee, tax, penalty,
4 or other amount due the administrator for its account.

5 The finding may be made by the administrator after granting the applicant a hearing of
6 which the applicant shall be given ten (10) days notice in writing, and in which the applicant shall
7 have the right to appear in person or by counsel and present testimony.

8 (c) Temporary license. Upon application to the administrator ~~and payment of a fee of ten~~
9 ~~dollars (\$10.00)~~, an unlicensed motor carrier may obtain a temporary license which will authorize
10 one qualified motor vehicle to be operated on the highways of this state, for a period not to
11 exceed ten (10) days, without compliance with the fees imposed in this section, the tax imposed
12 in § 31-36.1-5, and the bond required in § 31-36.1-6. [There shall be no fee for this license.](#)

13 (d) The administrator may adopt rules and regulations specifying the conditions under
14 which temporary licenses will be issued and providing for their issuance.

15 SECTION 13. Sections 31-37-10 and 31-37-21 of the General Laws in Chapter 31-37
16 entitled "Retail Sale of Gasoline" are hereby amended to read as follows:

17 **31-37-10. Term of licenses -- Fee.**

18 (a) Any license issued by the tax administrator to an owner for the operation of a retail
19 filling station, or to a peddler of gasoline, shall, from the date of the issuance of the license, be
20 and remain in full force and effect until or unless:

21 (1) Suspended or revoked by the tax administrator,

22 (2) The business with respect to which the license was issued shall change ownership, or

23 (3) The owner or peddler shall cease to transact the business for which the license was
24 issued.

25 (b) In any of which cases the license shall expire and terminate, and its holder shall
26 immediately return the license to the tax administrator. [There shall be no fee for this license.](#)

27 ~~The charge or fee for the license shall be five dollars (\$5.00).~~

28 **31-37-21. Enforcement.**

29 The tax administrator shall enforce the provisions of this chapter and chapter 36 of this
30 title, except that the director of ~~business regulation~~ [labor and training](#) shall enforce the provisions
31 of §§ 31-37-11 -- 31-37-17 and §§ 11-18-13 -- 11-18-18. The department of ~~business regulation~~
32 [labor and training](#) shall cause any violation subject to its jurisdiction under this chapter to be
33 referred to law enforcement officials in the city or town where the violation has or is occurring
34 for prosecution.

1 SECTION 14. Effective September 1, 2019, Section 36-3-5 of the General Laws in
2 Chapter 36-3 entitled "Division of Personnel Administration" is hereby amended to read as
3 follows:

4 **36-3-5. Powers and duties of the administrator.**

5 In addition to the duties imposed upon the personnel administrator elsewhere in the law
6 and the personnel rules, it shall be the duty of the personnel administrator:

7 (1) As executive head of the division of personnel administration, to direct, supervise,
8 develop, and authorize all personnel related administrative and technical activities including
9 personnel administration and personnel management.

10 (2) To prepare and recommend to the director of administration such rules as are deemed
11 necessary to carry out the provisions of the law.

12 (3) To supervise the operation of the classification plan and to recommend to the director
13 amendments and additions thereto.

14 (4) To supervise the operation of the pay plan and to recommend to the director
15 amendments and additions thereto.

16 (5) To establish and supervise the maintenance of employment lists, promotion lists, and
17 reemployment lists; to develop recruitment procedures, monitor agency recruitment processes for
18 compliance with the statutes and policies, and make available to state agencies qualified
19 candidates as vacancies occur; direct and supervise equal opportunity programs; manage
20 employee benefit plans including the coordination of health insurance, prescription/vision care,
21 group life insurance, dental care, prepaid legal services, deferred compensation and cancer
22 programs, and any other programs established by the legislature related to employee benefits; and
23 to manage career awards programs and state and local enforcement firefighters incentive training
24 programs.

25 (6) To perform any other lawful act which he or she may consider necessary or desirable
26 to carry out the purposes and provisions of this chapter, and chapter 4 of this title, and the rules
27 and to conduct innovative demonstration projects to improve state personnel management.

28 [\(7\) To facilitate and/or coordinate state and national background checks for applicants](#)
29 [and/or employees in state positions with access to federal tax information, as defined in § 36-3-](#)
30 [16\(a\)\(6\).](#)

31 SECTION 15. Effective September 1, 2019, Chapter 36-3 of the General Laws entitled
32 "Division of Personnel Administration" is hereby amended by adding thereto the following
33 section:

34 **36-3-16. Authority to conduct state and national background checks for applicants**

1 **and employees in state positions with access to federal tax information.**

2 (a) Definitions. As used in this section, the following terms are hereby defined as follows:

3 (1) “Access,” shall mean the direct use, contact, handling or viewing of federal tax
4 information, as defined herein, in paper or electronic form, regardless of the frequency, likelihood
5 or extent of such access.

6 (2) “Agency” or “state agency,” shall mean a Rhode Island state agency within the
7 executive branch.

8 (3) “Agency head,” shall mean the director or designee of a state agency holding the
9 position with access (as defined herein).

10 (4) “Applicant for employment,” shall mean an individual who has applied for or may be
11 offered employment, transfer or promotional opportunities with a state agency, including
12 employment as a full-time or part-time employee, intern, temporary or seasonal employee, or
13 volunteer, in a position with access (as defined herein).

14 (5) “Current agency employee,” shall mean a full-time or part-time state employee,
15 intern, temporary or seasonal employee or volunteer in a position with access (as defined herein).

16 (6) “Federal tax information” or “FTI” shall mean:

17 i) Federal tax returns or information created or derived from federal tax returns that is in
18 an agency’s possession or control, which is covered by the confidentiality protections of the
19 Internal Revenue Code and subject to 26 U.S.C. section 6103 (p)(4) safeguarding requirements,
20 including oversight by the Internal Revenue Service (“IRS”); and received directly from the IRS
21 or obtained through an authorized secondary source, such as the Social Security Administration
22 (SSA), Federal Office of Child Support Enforcement (OCSE), Bureau of the Fiscal Service
23 (BFS), Centers for Medicare and Medicaid Services (CMS), or another entity acting on behalf of
24 the IRS pursuant to an Internal Revenue Code (“IRC”) 6103(p)(2)(B) agreement; and

25 ii) FTI shall expressly not include federal tax returns or information created or derived
26 from federal tax returns received from taxpayers or other third-parties.

27 (7) “Law enforcement authorized agency” shall mean a government entity authorized to
28 conduct national background checks using the federal bureau of investigation’s fingerprinting
29 national background check system.

30 (b) The personnel administrator or designee shall require to be obtained a state and
31 national fingerprint-based criminal background check initially and at least every ten years, as
32 authorized by Public Law 92-544, to determine the suitability of an applicant for employment
33 prior to hiring or a current agency employee, if the position applied for or held requires or
34 includes access to FTI.

1 (c) An applicant for employment or current agency employee who refuses to comply with
2 the fingerprint-based background check requirements shall be considered unsuitable for serving
3 in a position requiring or involving, or which may require or involve, access to FTI.

4 (d) The national fingerprint-based criminal background check shall be facilitated through
5 the office of the attorney general or another law enforcement authorized agency and forwarded to
6 the federal bureau of investigation for a national criminal history check, according to the policies,
7 procedures, and/or regulations established by the office of the attorney general or another law
8 enforcement authorized agency.

9 (1) For current agency employees, the agency shall pay the applicable fee charged
10 through the office attorney general or other law enforcement authorized agency to conduct state
11 and national background checks. However, applicants for employment shall be required to pay
12 the fee charged through the office attorney general or other law enforcement authorized agency.

13 (2) Fingerprint submissions may be retained by the federal bureau of Investigation and
14 the office of the attorney general or other law enforcement authorized agency to assist the
15 personnel administrator authorized pursuant to this section to ensure the continued suitability of
16 an applicant for employment or a current agency employee for access to FTI.

17 (3) The office of the attorney general or other law enforcement authorized agency may
18 disseminate the results of the state and national criminal background checks to the personnel
19 administrator or designee of the personnel administrator.

20 (4) Notwithstanding any law to the contrary, solely for the purposes of this chapter, the
21 personnel administrator, agency head and authorized staff of an agency may receive criminal
22 offender record information to the extent required by federal law and the results of checks of
23 national criminal history information databases under Public Law 92-544.

24 (5) Upon receipt of the results of state and national criminal background checks, the
25 personnel administrator, agency head and other authorized staff shall treat the information as non-
26 public and exempt from disclosure in accordance with the Rhode Island Access to Public Records
27 Act, R.I. Gen. Laws 38-2-2(4)(A)(I)(b). Information acquired by any agency in the background
28 check process pursuant to this section shall be used solely for the purposes of making a
29 determination as to the suitability of a particular current employee or applicant for employment
30 for and assignment to duties in a position that requires or includes, or may require or include,
31 access to FTI.

32 (e) If the office of the attorney general or other law enforcement authorized agency
33 receives criminal record information from the state or national fingerprint-based criminal
34 background checks that includes no disposition or is otherwise incomplete, the office of the

1 attorney general or other law enforcement authorized agency shall notify the personnel
2 administrator and the subject person. The applicant for employment or the current agency
3 employee shall be responsible for resolving any issues in other jurisdictions causing an
4 incomplete background check. Within fifteen (15) business days from being notified, the
5 applicant for employment or current agency employee must resolve any incomplete background
6 check. For the purposes of this chapter, the personnel administrator, in his or her sole discretion,
7 may extend the amount of time to resolve an incomplete report. Once resolved, the applicant's
8 suitability for employment in a position requiring or involving, or which may require or involve,
9 access to FTI shall be determined in accordance with subsection (f).

10 (1) In the event that an applicant for employment fails to resolve an issue with an
11 incomplete background check by the deadline stated herein, the person shall no longer be
12 considered for employment to the position with access.

13 (2) In the event that a current agency employee fails to resolve an issue with an
14 incomplete background check by the deadline provided herein, along with any extension, the
15 employee may be terminated or discharged from employment; provided, however, that a current
16 agency employee may be placed on administrative leave or reassigned to a position that does not
17 require access to FTI if that position is available and subject to the business needs of the agency
18 at the discretion of the personnel administrator and agency head. Any such employment action
19 shall be subject to same appeal or grievance procedures as normally authorized.

20 (f) The personnel administrator or designee shall review the results to determine the
21 suitability of the applicant for employment or current agency employee, based on criteria
22 established through regulation, to serve in a position requiring or involving, or which may require
23 or involve, access to FTI. In making such a determination of suitability, the personnel
24 administrator or designee may consult with the agency head and consider mitigating factors
25 relevant to the current agency employee's employment and the nature of any disqualifying
26 offense.

27 (1) In the event that an applicant for employment receives a final determination that the
28 person is unsuitable, the person shall no longer be considered for employment into a position with
29 access.

30 (2) A current employee may appeal a determination of unsuitability to the personnel
31 administrator. While the appeal is pending, the employee may be placed on administrative leave
32 in the discretion of the personnel administrator. A final determination of unsuitability after
33 appeal may result in termination or discharge from employment; provided, however, that subject
34 to the discretion of the personnel administrator and the agency head, a current agency employee

1 may be reassigned to a position that does not require access to FTL if that position is available and
2 subject to the business needs of the agency. Any such employment action shall be subject to
3 further appeal or grievance procedures as normally authorized.

4 (g) Nothing in this section shall limit or preclude an agency's right to carry on a
5 background investigation of an applicant for employment or a current agency employee using
6 other authorized means.

7 (h) The Department of Administration is hereby authorized to promulgate and adopt
8 regulations necessary to carry out this section.

9 (i) The judicial branch is hereby authorized to comply with the provisions herein related
10 to employees with access to FTL.

11 SECTION 16. Effective September 1, 2019, Chapter 37-2 of the General Laws entitled
12 "State Purchases" is hereby amended by adding thereto the following section:

13 **37-2-81. Authority to conduct state and national background checks for vendors**
14 **with access to federal tax information.**

15 (a) Definitions. As used in this section, the following terms shall be defined as follows:

16 (1) "Access," shall mean the direct and indirect use, contact, handling or viewing of
17 federal tax information, as defined herein, in paper or electronic form, regardless of the
18 frequency, likelihood or extent of such access or whether the access is intentional or inadvertent.

19 (2) "Agency" or "state agency," shall mean a Rhode Island state agency within the
20 executive branch.

21 (3) "Agency head" shall mean the director or designee of a state agency for which the
22 vendor is providing services.

23 (4) "Division" shall mean the division of purchases.

24 (5) "Federal tax information" or "FTI" shall mean:

25 i) Federal tax returns or information created or derived from federal tax returns that is in
26 an agency's possession or control, which is covered by the confidentiality protections of the
27 Internal Revenue Code and subject to 26 U.S.C. section 6103 (p)(4) safeguarding requirements,
28 including oversight by the Internal Revenue Service ("IRS"); and is received directly from the
29 IRS or obtained through an authorized secondary source, such as the Social Security
30 Administration (SSA), Federal Office of Child Support Enforcement (OCSE), Bureau of the
31 Fiscal Service (BFS), Centers for Medicare and Medicaid Services (CMS), or another entity
32 acting on behalf of the IRS pursuant to an Internal Revenue Code ("IRC") 6103(p)(2)(B)
33 agreement; and

34 ii) shall not include federal tax returns or information created or derived from federal tax

1 returns received directly from taxpayers or other third-parties.

2 (5) “Vendor” shall mean any individual, firm, corporation, partnership or other entity,
3 including, but not limited to, employees, subcontractors, and/or agents of the vendor, who is
4 performing services for the state and has access, as defined herein, to FTI.

5 (b) The agency head shall require a vendor’s employees, subcontractors and other agents
6 to complete a state and national fingerprint-based criminal background check, as authorized by
7 Public Law 92-544, to determine the suitability of a vendor if the services to the state requires or
8 includes, or may require or include, access to FTI. This requirement for a vendor shall be
9 incorporated by reference into the vendor’s agreement with the state. No new vendor employee,
10 subcontractor or other agent who has or may have access to FTI shall perform services for the
11 State until the person is deemed suitable by the agency head. Existing vendor employees,
12 subcontractors or other agents, as of the effective date of this statute, shall complete the
13 background check requirement within a reasonable time as approved by the agency head.

14 (c) The national fingerprint-based criminal background check shall be facilitated through
15 the Rhode Island office of the attorney general or other law enforcement authorized agency, using
16 the same criteria established under § 36-3-16 for applicants and current state employees. The
17 information shall be forwarded to the Federal Bureau of Investigation (FBI) for a national
18 criminal history check, according to the policies, procedures, and/or regulations established by
19 the office of the attorney general or other law enforcement authorized agency. The office of the
20 attorney general or other law enforcement authorized agency may disseminate the results of the
21 national criminal background checks to the Department of Administration and/or the agency head
22 where the services are being provided.

23 (d) Reciprocity. Nothing herein shall prevent the agency head, at his or her discretion,
24 from accepting a recent national fingerprint-based criminal background check for a vendor
25 employee, subcontractor or other agent related to FTI access conducted in another suitable
26 jurisdiction.

27 (e) The agency head may receive criminal offender record information to the extent
28 required by federal law and the results of checks of national criminal history information
29 databases under Public Law 92-544. Upon receipt of the results of state and national criminal
30 background checks, the agency head shall treat the information as non-public and exempt from
31 disclosure in accordance with the Rhode Island Access to Public Records Act, R.I. Gen. Laws 38-
32 2-2(4)(B). Information acquired by any agency in the background check process pursuant to this
33 section shall be used solely for the purpose of making a determination as to the suitability of a
34 vendor in a position which requires or includes, or may require or include, access to FTI.

1 (f) The state shall not be responsible for any fees charged through the office attorney
2 general, other law enforcement authorized agency or other jurisdiction to conduct the state and
3 national background check for vendor employees, subcontractors or other agents.

4 (f) A vendor, or its employees, subcontractors or other agents, who refuses to comply
5 with the fingerprint-based background check requirement shall be considered unsuitable for
6 services requiring or involving, or which may require or involve, access to FTL. Refusal to
7 comply by the vendor may result in termination of the contract with the State and/or other
8 procurement sanctions if appropriate. Nothing herein shall prevent the vendor from replacing an
9 employee, subcontractor or other agent who refuses to comply with this requirement, subject to
10 written approval by the agency head.

11 (g) Upon receipt of the results of a state and national criminal background check for the
12 vendor employees, subcontractors or other agents, the agency head shall review the results and
13 determine the suitability of the person with regard to service in a position requiring or involving,
14 or which may require or involve, access to FTL. In making a determination of suitability, the
15 agency head may consider mitigating factors relevant to the vendor's scope of work and the
16 nature of any disqualifying offense. Unsuitability of a vendor may result in termination of the
17 contract with the State and/or a requirement that the vendor to replace the employee,
18 subcontractor or other agent, with a suitable person, subject to written approval by the agency
19 head.

20 (h) If the office of the attorney general or other law enforcement authorized agency
21 receives criminal record information from the state or national fingerprint-based criminal
22 background checks that includes no disposition or is otherwise incomplete, the subject person
23 shall be responsible for resolving any issues in other jurisdictions causing an incomplete
24 background check. The vendor shall immediately notify the state in writing the name and
25 circumstances of any employees, subcontractors or agents who have received an incomplete
26 background check. Failure to establish suitability of a vendor employee, subcontractor or other
27 agent may result in termination of the contract with the State and/or a requirement that the vendor
28 to replace the employee, subcontractor or other agent with a suitable person, subject to written
29 approval by the agency head.

30 (j) Nothing in this section shall limit or preclude an agency's right to carry on a
31 background investigation of a vendor using other authorized means.

32 (k) The department of administration is hereby authorized to promulgate and adopt
33 regulations necessary to carry out this section.

34 (l) The judicial branch is hereby authorized to comply with the provisions herein related

1 [to vendors working on behalf of the judiciary receiving access to FTL.](#)

2 SECTION 17. Effective September 1, 2019, sections 40-13.2-2, 40-13.2-4 and 40-13.2-5
3 in Chapter 40-13.2 entitled "Certification of Child Care and Youth Serving Agency Workers" are
4 hereby amended to read as follows:

5 **40-13.2-2. Qualification for childcare employment.**

6 Notwithstanding any other provisions of law to the contrary, any person seeking to
7 operate or seeking employment in any facility which is, or is required to be, licensed or registered
8 with the department [of children youth and families, the department of human services](#), or seeking
9 employment at the training school for youth if that employment involves supervisory or
10 disciplinary power over a child or children or involves routine contact with a child or children
11 without the presence of other employees, shall undergo an employment background check, a
12 CANTS (child abuse and neglect tracking system) check of substantiated complaints, and
13 criminal records check as provided for in this chapter. The director of the department of children,
14 youth, and families [and the director of the department of human services](#) may by rule identify
15 those positions requiring background checks, CANTS checks and criminal records checks.

16 **40-13.2-4. Criminal records check -- Operators of child care facilities which must be**
17 **licensed or registered with the department.**

18 Any person seeking to operate a facility, that is, or is required to be, licensed or registered
19 with the department [of human services](#), shall apply to the Rhode Island bureau of criminal
20 identification, [attorney general's office](#), or the department of children, youth and families, for a
21 nationwide, criminal-records check. The check will conform to the applicable federal standards,
22 including the taking of fingerprints to identify the applicant, and any expense associated with
23 providing the criminal-records check shall be paid by the applicant and/or requesting agency. The
24 director [of human services](#) will determine by rule those items of information appearing on a
25 criminal-records check, which constitute disqualifying information because that information
26 would indicate that the employment could endanger the health or welfare of a child or children.
27 Upon the discovery of any disqualifying information with respect to a proposed operator, the
28 Rhode Island bureau of criminal identification will inform the director, in writing, of the nature of
29 the disqualifying information.

30 **40-13.2-5. Criminal-records check – Employees of child day care, day care centers,**
31 **family day care homes, group family day care homes, child placing agencies and residential**
32 **child-care facilities which must be licensed by the department.**

33 (a) A ~~Any~~ person seeking employment [in a "child day care" program, a "family day care](#)
34 [home", "group family day care home", or in a "child day care center" as defined in section 42-](#)

1 12.5-2 of the general laws, if that employment involves supervisory or disciplinary power over a
2 child or children or involves routine contact with a child or children without the presence of other
3 employees, ~~in any facility that is, or is required to be, licensed or registered with the department,~~
4 or any adult household member of any operator of a “family day-care home” and “group family
5 day-care home,” or seeking that employment or to volunteer at the training school for youth,
6 shall, after acceptance by the employer of the affidavit required by § 40-13.2-3, apply to the
7 bureau of criminal identification of the state police or the local police department, or the office of
8 the attorney general, or the department of children, youth and families, for a nationwide, criminal-
9 records check. The check will conform to applicable federal standards including the taking of
10 fingerprints to identify the applicant. Further, any person seeking employment in a “child
11 day care” program, in a “child day care center”, and/or in a “child day care provider” as
12 defined in section 42-12.5-2 of the general laws, if that employment involves
13 supervisory or disciplinary power over a child or children or involves routine contact
14 with a child or children without the presence of other employees shall apply the bureau of
15 criminal identification of the state police or the local police department or the office of
16 the attorney general to search the National Crime Information Center’s National Sex
17 Offender Registry and a search of the Rhode Island Sex Offender Registry. The criminal
18 record checks and the checks of the National Sex Offender Registry and the Rhode Island
19 Sex Offender Registry, as referenced in this section, shall be conducted for every five
20 years of continuous child care employment from the date of the previous criminal
21 background check.

22 (b) Any person seeking employment in a “child placing agency” as defined in
23 section 42-72.1-2 of the general laws, if that employment involves supervisory or
24 disciplinary power over a child or children or involves routine contact with a child or
25 children without the presence of other employees, shall, after acceptance by the employer
26 of the affidavit required by § 40-13.2-3, apply to the bureau of criminal identification of
27 the state police or the local police department, or the office of the attorney general or the
28 department of children, youth and families, for a nationwide, criminal-records check. The
29 check will conform to applicable federal standards including the taking of fingerprints to
30 identify the applicant.

31 (c) Any person seeking employment in a “child caring agency”, “children’s
32 behavioral health program”, or in a “foster and adoptive home” as defined in section 42-

72.1-2 of the general laws, that is, or is required to be, licensed or registered with the department, shall, after acceptance by the employer of the affidavit required by § 40-13.2-3, apply to the bureau of criminal identification of the state police or the local police department, or the office of the attorney general, or the department of children, youth and families, for a nationwide, criminal-records check. The check will conform to applicable federal standards including the taking of fingerprints to identify the applicant.

~~(b)~~(d) Upon the discovery of any disqualifying information as defined in accordance with the rule promulgated by the director, the bureau of criminal identification of the state police or the local police department or the office of the attorney general or the department of children, youth and families will inform the applicant, in writing, of the nature of the disqualifying information. In addition, the bureau of criminal identification of the state police or the office of the attorney general, or department of children, youth and families, or the local police department will inform the relevant employer, in writing, without disclosing the nature of the disqualifying information, that an item of disqualifying information has been discovered.

~~(e)~~(e) In those situations in which no disqualifying information has been found, the bureau of criminal identification of the state police or the local police department or the office of the attorney general, or the department of children, youth and families will inform both the applicant and the employer, in writing, of this fact.

~~(f)~~(d)–The employer will maintain on file, subject to inspection by the department, evidence that criminal-records checks have been initiated on all employees seeking employment after August 1, 1985, and the results of the checks.

~~(g)~~ (e) Failure to maintain that evidence on file will be prima facie grounds to revoke the license or registration of the operator of the facility.

~~(h)~~ ~~or~~(f) It will be the responsibility of the bureau of criminal identification of the state police or the office of the attorney general, or the local police department, or the department of children, youth and families, to conduct the nationwide, criminal-records check pursuant to this section. The nationwide, criminal-records check will be provided to the applicant for employment without charge.

SECTION 18. Section 41-5.2-2 of Chapter 41-5.2 of the General Laws in entitled "Mixed Martial Arts" is hereby amended to read as follows:

41-5.2-2. License required for mixed-martial-arts exhibitions – amateur exhibitions exempt.

(a) No mixed-martial-arts match or exhibition for a prize or a purse, or at which an

admission fee is charged, either directly or indirectly, in the form of dues or otherwise, shall take place or be conducted in this state unless licensed by the division of gaming and athletics licensing in accordance with this chapter; provided that the provisions of this chapter shall not apply to any mixed-martial-arts match or exhibition in which the contestants are amateurs and that is conducted under the supervision and control of:

(1) Any educational institution recognized by the council on postsecondary education and the council on elementary and secondary education of this state, or

(2) Any religious or charitable organization or society engaged in the training of youth and recognized as such by the division of gaming and athletics licensing of this state.

(b) For the purposes of this section, an "amateur" shall be deemed to mean a person who engages in mixed-martial-arts matches or exhibitions for which no cash prizes are awarded to the participants, and for which the prize competed for, if any, shall not exceed in value the sum of twenty-five dollars (\$25.00).

SECTION 19. Chapter 41-5.2 of the General Laws entitled "Mixed Martial Arts" is hereby amended by adding thereto the following section:

41-5.2-30. Fees of officials.

The fees of the referee and other licensed officials, as established by this chapter, shall be fixed by the division of gaming and athletics licensing, and shall be paid by the licensed organization prior to the exhibition.

SECTION 20. Section 42-14.2-13 of the General Laws in Chapter 42-14.2 entitled "Department of Business Regulation - Automobile Wrecking and Salvage Yards" is hereby amended to read as follows:

42-14.2-13. Penalties.

Any person, firm, corporation, or association violating any of the provisions of this chapter or the regulations promulgated hereunder shall ~~upon conviction be guilty of a misdemeanor. Any person, firm, corporation, or association who is convicted for violation of any section of this chapter shall be punished by~~ subject to payment of a ~~fine~~ not to exceed ~~five hundred one thousand~~ one thousand dollars (~~\$500~~1,000) ~~or by imprisonment for a term not to exceed one year, or both fine and imprisonment~~ for each violation ~~of the provisions of this chapter.~~

SECTION 21. Sections 42-35.1-5 and 42-35.1-7 of the General Laws in Chapter 42-35.1 entitled "Small Business Regulatory Fairness in Administrative Procedures" are hereby amended to read as follows:

42-35.1-5. Small business enforcement ombudsman.

(a) The director of the ~~office of regulatory reform~~ department of business regulation shall

1 designate an existing staff member as a "small business regulatory enforcement ombudsman,"
2 who shall report ~~directly~~ to the director of business regulation.

3 (b) The ombudsman shall:

4 (1) Work with each agency with regulatory authority over small businesses to ensure that
5 small business concerns that receive or are subject to an audit, on-site inspection, compliance
6 assistance effort, or other enforcement related communication or contact by agency personnel are
7 provided with a means to comment on the enforcement activity conducted by such personnel;

8 (2) Establish means to receive comments from small business concerns regarding actions
9 by agency employees conducting compliance or enforcement activities;

10 (3) Within six (6) months of appointment, work with each regulating entity to develop
11 and publish reporting policies;

12 (4) Based on substantiated comments received from small business concerns the
13 ombudsman shall annually report to the general assembly and affected agencies evaluating the
14 enforcement activities of agency personnel including a rating of the responsiveness of the
15 regulatory agencies policies;

16 (5) Coordinate and report annually on the activities, findings and recommendations to the
17 general assembly and the directors of affected agencies; and

18 (6) Provide the affected agency with an opportunity to comment on reports prepared
19 pursuant to this chapter, and include a section of the final report in which the affected agency may
20 make such comments as are not addressed by the ombudsman.

21 **42-35.1-7. Expenses.**

22 Except as provided in § 42-35.1-5, ~~The~~ director of administration shall annually
23 appropriate such sums as it may deem necessary to carry out the provisions of this chapter.

24 SECTION 22. Chapter 44-1 of the General Laws entitled "State Tax Officials " is hereby
25 amended by adding thereto the following section:

26 **44-1-40. Tax Administrator to prepare list of licensed taxpayers - Notice - Public**
27 **inspection.**

28 (a) Notwithstanding any other provision of law, the tax administrator may, on a periodic
29 basis;

30 (1) Prepare and publish for public distribution a list of entities and their active licenses
31 administered under Title 44.

32 (2) Prepare and publish for public distribution a list of entities and licenses for the current
33 year, as administered by a city or town under Chapter 5 of Title 3 of the Rhode Island General
34 Laws.

1 (3) Prepare and publish for public distribution a list of entities and licenses for the
2 upcoming year, as administered by a city or town under Chapter 5 of Title 3 of the Rhode Island
3 General Laws.

4 (4) Each list may contain the license type, name, and address of each registered entity
5 with a license.

6 (b) The tax administrator shall not list any taxpayers that do not have an active license.

7 (c) Any such list prepared by the tax division shall be available to the public for
8 inspection by any person and may be published by the tax administrator on the tax division
9 website.

10 SECTION 23. Section 44-5.2-4 of the General Laws in Chapter 44-5.2 entitled "Powers
11 and Duties of Fire Districts in the Town of Coventry" is hereby repealed.

12 **44-5.2-4. Compliance.**

13 ~~Unless otherwise provided, the division of municipal finance in the department of~~
14 ~~revenue shall monitor fire district compliance with this chapter and issue periodic reports to the~~
15 ~~general assembly on compliance.~~

16 SECTION 24. Sections 44-11-2.2 and 44-11-19 of the General Laws in Chapter 44-11
17 entitled "Business Corporation Tax" are hereby amended to read as follows:

18 **44-11-2.2. Pass-through entities -- Definitions -- Withholding -- Returns.**

19 (a) Definitions.

20 (1) "Administrative Adjustment Request" means an administrative adjustment request
21 filed by a partnership under IRC section 6227.

22 (2) "Audited Partnership" means a partnership or an entity taxed as a partnership
23 federally subject to a partnership level audit resulting in a federal adjustment.

24 (3) "Direct Partner" means a partner that holds an interest directly in a partnership or
25 pass-through entity.

26 (4) "Federal Adjustment" means a change to an item or amount determined under the
27 Internal Revenue Code (IRC) that is used by a taxpayer to compute Rhode Island tax owed
28 whether that change results from action by the IRS, including a partnership level audit, or the
29 filing of an amended federal return, federal refund claim, or an administrative adjustment request
30 by the taxpayer. A federal adjustment is positive to the extent that it increases state taxable
31 income as determined under Rhode Island state laws and is negative to the extent that it decreases
32 state taxable income as determined under Rhode Island state laws.

33 (5) "Final Determination Date" means if the federal adjustment arises from an IRS audit
34 or other action by the IRS, the final determination date is the first day on which no federal

1 adjustments arising from that audit or other action remain to be finally determined, whether by
2 IRS decision with respect to which all rights of appeal have been waived or exhausted, by
3 agreement, or, if appealed or contested, by a final decision with respect to which all rights of
4 appeal have been waived or exhausted. For agreements required to be signed by the IRS and the
5 taxpayer, the final determination date is the date on which the last party signed the agreement.

6 (6) "Final Federal Adjustment" means a federal adjustment after the final determination
7 date for that federal adjustment has passed.

8 (7) "Indirect Partner" means a partner in a partnership or pass-through entity that itself
9 holds an interest directly, or through another indirect partner, in a partnership or pass-through
10 entity.

11 ~~(1) "Pass-through entity" means a corporation that for the applicable tax year is treated as~~
12 ~~an S Corporation under IRC § 1362(a) [26 U.S.C. § 1362(a)], and a general partnership, limited~~
13 ~~partnership, limited liability partnership, trust, or limited liability company that for the applicable~~
14 ~~tax year is not taxed as a corporation for federal tax purposes under the state's check-the-box~~
15 ~~regulation.~~

16 ~~(2)~~(8) "Member" means an individual who is a shareholder of an S corporation; a partner
17 in a general partnership, a limited partnership, or a limited liability partnership; a member of a
18 limited liability company; or a beneficiary of a trust;

19 ~~(3)~~(9) "Nonresident" means an individual who is not a resident of or domiciled in the
20 state, a business entity that does not have its commercial domicile in the state, and a trust not
21 organized in the state.

22 (10) "Partner" means a person that holds an interest directly or indirectly in a partnership
23 or other pass-through entity.

24 (11) "Partnership" means an entity subject to taxation under Subchapter K of the IRC.

25 (12) "Partnership Level Audit" means an examination by the IRS at the partnership level
26 pursuant to Subchapter C of Title 26, Subtitle F, Chapter 63 of the IRC, as enacted by the
27 Bipartisan Budget Act of 2015, Public Law 114-74, which results in Federal Adjustments.

28 (13) "Pass-through entity" means a corporation that for the applicable tax year is treated
29 as an S Corporation under IRC § 1362(a) [26 U.S.C. § 1362(a)], and a general partnership,
30 limited partnership, limited liability partnership, trust, or limited liability company that for the
31 applicable tax year is not taxed as a corporation for federal tax purposes under the state's check-
32 the-box regulation.

33 (14) "Tiered Partner" means any partner that is a partnership or pass-through entity.

34 (b) Withholding.

1 (1) A pass-through entity shall withhold income tax at the highest Rhode Island
2 withholding tax rate provided for individuals or seven percent (7%) for corporations on the
3 member's share of income of the entity that is derived from or attributable to sources within this
4 state distributed to each nonresident member and pay the withheld amount in the manner
5 prescribed by the tax administrator. The pass-through entity shall be liable for the payment of the
6 tax required to be withheld under this section and shall not be liable to such member for the
7 amount withheld and paid over in compliance with this section. A member of a pass-through
8 entity that is itself a pass-through entity (a "lower-tier pass-through entity") shall be subject to
9 this same requirement to withhold and pay over income tax on the share of income distributed by
10 the lower-tier pass-through entity to each of its nonresident members. The tax administrator shall
11 apply tax withheld and paid over by a pass-through entity on distributions to a lower-tier pass-
12 through entity to the withholding required of that lower-tier pass-through entity.

13 (2) A pass-through entity shall, at the time of payment made pursuant to this section,
14 deliver to the tax administrator a return upon a form prescribed by the tax administrator showing
15 the total amounts paid or credited to its nonresident members, the amount withheld in accordance
16 with this section, and any other information the tax administrator may require. A pass-through
17 entity shall furnish to its nonresident member annually, but not later than the fifteenth day of the
18 third month after the end of its taxable year, a record of the amount of tax withheld on behalf of
19 such member on a form prescribed by the tax administrator.

20 (c) Notwithstanding subsection (b), a pass-through entity is not required to withhold tax
21 for a nonresident member if:

22 (1) The member has a pro rata or distributive share of income of the pass-through entity
23 from doing business in, or deriving income from sources within, this state of less than \$1,000 per
24 annual accounting period;

25 (2) The tax administrator has determined by regulation, ruling, or instruction that the
26 member's income is not subject to withholding;

27 (3) The member elects to have the tax due paid as part of a composite return filed by the
28 pass-through entity under subsection (d); or

29 (4) The entity is a publicly traded partnership as defined by 26 U.S.C. § 7704(b) that is
30 treated as a partnership for the purposes of the Internal Revenue Code and that has agreed to file
31 an annual information return reporting the name, address, taxpayer identification number and
32 other information requested by the tax administrator of each unitholder with an income in the
33 state in excess of \$500.

34 (d) Composite return.

1 (1) A pass-through entity may file a composite income tax return on behalf of electing
2 nonresident members reporting and paying income tax at the state's highest marginal rate on the
3 members' pro rata or distributive shares of income of the pass-through entity from doing business
4 in, or deriving income from sources within, this State.

5 (2) A nonresident member whose only source of income within a state is from one or
6 more pass-through entities may elect to be included in a composite return filed pursuant to this
7 section.

8 (3) A nonresident member that has been included in a composite return may file an
9 individual income tax return and shall receive credit for tax paid on the member's behalf by the
10 pass-through entity.

11 (e) Partnership Level Audit

12 (1) A partnership shall report final federal adjustments pursuant to IRC section
13 6225(a)(2) arising from a partnership level audit or an administrative adjustment request and
14 make payments by filing the applicable supplemental return as prescribed under § 44-11-
15 2.2(e)(1)(ii), and as required under § 44-11-19(b), in lieu of taxes owed by its direct and indirect
16 partners.

17 (i) Failure of the audited partnership or tiered partner to report final federal adjustments
18 pursuant to IRC section 6225(a) and 6225(c) or pay does not prevent the Ttax Aadministrator
19 from assessing the audited partnership, direct partners or indirect partners for taxes they owe,
20 using the best information available, in the event that a partnership or tiered partner fails to timely
21 make any report or payment required by § 44-11-19(b) for any reason.

22 (ii) The tax administrator may promulgate rules and regulations, not inconsistent with
23 law, to carry into effect the provisions of this chapter.

24 **44-11-19. Supplemental returns -- Additional tax or refund.**

25 (a) Any taxpayer which fails to include in its return any items of income or assets or any
26 other information required by this chapter or by regulations prescribed in pursuance of this
27 chapter shall make a supplemental return disclosing these facts. Except in the case of final federal
28 adjustments that are required to be reported by a partnership and its partners using the procedures
29 under section (b) below, Aany taxpayer whose return to the collector of internal revenue, or
30 whose net income returned, shall be changed or corrected by any official of the United States
31 government in any respect affecting a tax imposed by this chapter including a return or other
32 similar report filed pursuant to IRC section 6225(c)(2), shall, within sixty (60) days after receipt
33 of a notification of the final adjustment and determination of the change or correction, make the
34 supplemental return required by this section (a).

1 (b) Except for the distributive share of adjustments that have been reported as required
2 under section (a), partnerships and partners shall, within one hundred and eighty (180) days after
3 receipt of notification of the final federal adjustments arising from a partnership level audit or an
4 administrative adjustment, make the supplemental return and make payments as required by this
5 section (b).

6 ~~(b)~~^c Upon the filing of a supplemental return the tax administrator shall examine the
7 return and shall determine any additional tax or refund that may be due and shall notify the
8 taxpayer. Any additional tax shall be paid within fifteen (15) days after the notification together
9 with interest at the annual rate provided by § 44-1-7 from the original due date of the return for
10 the taxable year to the date of payment of the additional tax. Any refund shall be made by the tax
11 administrator together with interest at the annual rate provided by § 44-1-7.1 from the date of
12 payment of the tax to the date of the refund.

13 SECTION 25. Sections 44-30-59, 44-30-71.2, 44-30-71.4 and 44-30-84 of the General
14 Laws in Chapter 44-30 entitled "Personal Income Tax" are hereby amended to read as follows:

15 **44-30-59. Report of change in federal taxable income.**

16 (a) Subject to regulations of the tax administrator, if the amount of a taxpayer's federal
17 taxable income reported on his or her federal income tax return for any taxable year beginning on
18 or after January 1, 1971, is changed or corrected by the United States Internal Revenue Service or
19 other competent authority, or as the result of a renegotiation of a contract or subcontract with the
20 United States, the taxpayer shall report the change or correction in federal taxable income within
21 ninety (90) days after the final determination of the change, correction, or renegotiation, or as
22 otherwise required by the tax administrator, and shall concede the accuracy of the determination
23 or state wherein it is erroneous. Any taxpayer filing an amended federal income tax return shall
24 also file within ninety (90) days thereafter an amended Rhode Island personal income tax return
25 and shall give any information that the tax administrator may require.

26 (b) In the case of a partnership level audit pursuant to § 44-11-2.2(e)(1), partners shall,
27 within one hundred and eighty days (180) days after receipt of notification of the final federal
28 adjustments arising from a partnership level audit or an administrative adjustment, make the
29 supplemental return and make payments as required by this subsection (b).

30 **44-30-71.2. Withholding of tax from lottery and pari-mutuel betting winnings.**

31 (a) The director of lotteries shall deduct and withhold from the prize money, income from
32 casino gambling or income from sports wagering revenue as prescribed by 42-61.2-1, of any
33 person winning a prize from the state lottery, casino gambling or sports wagering, a tax computed
34 in such a manner as to result, so far as practicable, in an amount substantially equivalent to the tax

1 reasonably estimated to be due resulting from the inclusion in the individual's Rhode Island
2 income of his or her prize money received during the calendar year. The method of determining
3 the amount to be withheld shall be prescribed by regulations of the tax administrator, which
4 regulations and amounts shall be based upon the federal rules, regulations and procedures.

5 (b) Every licensee conducting or operating events upon which pari-mutuel betting is
6 allowed shall deduct and withhold from the winnings of any person a tax computed in such
7 manner as to result, so far as practicable, in an amount substantially equivalent to the tax
8 reasonably estimated to be due resulting from the inclusion in the individual's Rhode Island
9 income of his or her winnings received during the calendar year. The method of determining the
10 amount to be withheld shall be prescribed by regulations of the tax administrator, which
11 regulations and the amounts shall be based upon the federal rules, regulations and procedures.

12 **44-30-71.4. Employee leasing companies -- Payroll companies.**

13 (a) Employee leasing company certification.

14 (1) Every "employee leasing company", defined in this section as any individual, firm,
15 partnership or corporation engaged in providing workers to employers or firms under a contract
16 or leasing arrangement, shall, as a condition of doing business in this state, be certified by the
17 division of taxation each year, that the company has complied with the withholding provisions of
18 chapter 30 of this title.

19 (2) Employee leasing companies must apply to the division of taxation during the month
20 of July of each year [on forms prescribed by the tax administrator](#) for a certificate executed by the
21 tax administrator certifying that all taxes withheld from employees, or subject to withholding
22 from employees have been remitted to the division of taxation including the withholding
23 provisions of chapter 30 of this title and the contribution, interest, and penalty provisions pursuant
24 to the Employment Security Act, chapters 42 -- 44 of title 28, and the Temporary Disability
25 Insurance Act, chapters 39 -- 41 of title 28 have been remitted to the department of labor and
26 training. No certificate shall be issued if taxes subject to withholding or contributions have not
27 been withheld and remitted.

28 (3) No employee leasing firm may conduct business in this state without the certification
29 prescribed in subdivision (2) of this subsection. Any employer or firm that engages any employee
30 leasing company that is not certified by the tax administrator shall be jointly and severally liable
31 for the taxes required to be withheld and remitted under § 44-30-71 or chapters 39 -- 44 of title
32 28.

33 (b) Payroll companies -- Joint liability. Every payroll company, herein defined as any
34 individual, firm, partnership or corporation engaging in providing payroll services to employers

1 which services include the withholding of tax including the withholding provisions of chapter 30
2 of this title and the contribution, interest, and penalty provisions pursuant to the Employment
3 Security Act, chapters 42 -- 44 of title 28, and the Temporary Disability Insurance Act, chapters
4 39 -- 41 of title 28 from employee wages and which receives moneys from a customer or
5 employer for Rhode Island withholding from the wages of the customer's employees, and who
6 fails to remit said withholding to the division of taxation or contributions to the department of
7 labor and training on a timely basis, shall be jointly and severally liable with the customer or
8 employer for said withholdings.

9 **44-30-84. Interest on underpayment.**

10 (a) General.

11 (1) If any amount of Rhode Island personal income tax, including any amount of the tax
12 withheld by an employer, is not paid on or before the due date, interest on the amount at the
13 annual rate provided by § 44-1-7 shall be paid for the period from the due date to the date paid,
14 whether or not any extension of time for payment was granted. The interest shall not be paid if its
15 amount is less than two dollars (\$2.00).

16 (2) Interest prescribed under this section may be waived by the tax administrator in the
17 event the underpayment results from the state's closing of banks and credit unions in which the
18 taxpayer's monies are deposited and the taxpayer has no other funds from which to pay his or her
19 tax.

20 (b) Estimated tax. If an individual fails to file a declaration of estimated Rhode Island
21 personal income tax as required by § 44-30-55, or to pay any installment of the tax as required by
22 § 44-30-56, the individual shall pay interest at the annual rate provided by § 44-1-7 for the period
23 the failure continues, until the fifteenth day of the fourth month following the close of the taxable
24 year. The interest in respect of any unpaid installment shall be computed on the amount by which
25 his or her actual payments and credits in respect of the tax are less than eighty percent (80%) of
26 the installment at the time it is due. Notwithstanding the foregoing, no interest shall be payable if
27 one of the exceptions specified in 26 U.S.C. § 6654(d)(1) or (2) would apply if the exceptions
28 referred to the corresponding Rhode Island tax amounts and returns.

29 (c) Payment prior to notice of deficiency. If, prior to the mailing to the taxpayer of notice
30 of deficiency under § 44-30-81, the tax administrator mails to the taxpayer a notice of proposed
31 increase of tax and within thirty (30) days after the date of the notice of the proposed increase the
32 taxpayer pays all amounts shown on the notice to be due to the tax administrator, no interest
33 under this section on the amount so paid shall be imposed for the period after the date of the
34 notice of proposed increase.

1 (d) Payment within ten (10) days after notice and demand. If notice and demand is made
2 for payment of any amount, and the amount is paid within ten (10) days after the effective date of
3 the notice and demand under § 44-30-81(b), interest under this section on the amount so paid
4 shall not be imposed for the period after the date of the notice and demand.

5 (e) Suspension of interest on deficiencies. If a waiver of restrictions on assessment of a
6 deficiency has been filed by the taxpayer, and if notice and demand by the tax administrator for
7 payment of the deficiency is not made within thirty (30) days after the filing of the waiver,
8 interest shall thereupon cease to accrue until the date of notice and demand.

9 (f) Interest treated as tax. Interest under this section shall be paid upon notice and demand
10 and shall be assessed, collected, and paid in the same manner as the tax, except that interest under
11 subsection (b) of this section may be assessed without regard to the restrictions of § 44-30-81.

12 (g) No interest on interest. No interest shall be imposed on any interest provided in this
13 section.

14 (h) Interest on civil penalties and additions to tax. Interest shall be imposed under
15 subsection (a) of this section in respect of any assessable civil penalty or addition to tax only if
16 the assessable penalty or addition to tax is not paid within fifteen (15) days from the effective
17 date of notice and demand therefor under § 44-30-81(b), and in that case interest shall be imposed
18 only for the period from the effective date of the notice and demand to the date of payment.

19 (i) Tax reduced by carryback. If the amount of tax for any taxable year is reduced by
20 reason of a carryback of a net operating loss, the reduction in tax shall not affect the computation
21 of interest under this section for the period ending with the last day of the taxable year in which
22 the net operating loss arises.

23 (j) Limitation on assessment or collection. Interest prescribed under this section may be
24 assessed or collected at any time during the period within which the tax or other amount to which
25 the interest relates may be assessed or collected.

26 (k) Interest on erroneous refund. Any portion of tax or other amount which has been
27 erroneously refunded, and which is recoverable by the tax administrator, shall bear interest at the
28 annual rate provided by § 44-1-7 from the date of the payment of the refund.

29 (l) Timely Deposits for Withheld Tax. If an entity fails to remit withheld tax at the times
30 prescribed by the tax administrator, there may be interest assessed at the annual rate provided by
31 § 44-1-7 for the period the failure continues, until the thirty-first day of the first month following
32 the close of the taxable year. The interest with respect to any failed remittances shall be computed
33 as prescribed by the tax administrator.

34 SECTION 26. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is

hereby amended by adding thereto the following section:

44-30-85.1. Electronic filing of withholding tax returns and penalties.

(1) Beginning on January 1, 2020, every employer required to deduct and withhold tax under this chapter, who had an average tax amount of two hundred dollars (\$200) or more per month for the previous calendar year, shall file a return and remit said payments by electronic funds transfer or other electronic means as defined by the tax administrator. The tax administrator shall adopt any rules necessary to administer a program of electronic funds transfer or other electronic filing system.

(2) Beginning on January 1, 2020, if any person fails to pay said taxes by electronic funds transfer or other electronic means defined by the tax administrator as required hereunder, there shall be added to the amount of tax the lesser of five percent (5%) of the withheld tax payment amount that was not filed electronically or five hundred dollars (\$500), whichever is less, unless there was reasonable cause for the failure and such failure was not due to negligence or willful neglect.

(3) Notwithstanding the provisions of 44-30-85(j)(2), beginning on January 1, 2020, if any person fails to file a return by electronic means defined by the tax administrator as required hereunder, there shall be added to the amount of tax equal to fifty dollars (\$50), unless there was reasonable cause for the failure and such failure was not due to negligence or willful neglect.

SECTION 27. Section 45-19-1 of the General Laws in Chapter 45-19 entitled "Relief of Injured and Deceased Fire Fighters and Police Officers" is hereby amended to read as follows:

45-19-1. Salary payment during line of duty illness or injury.

(a) Whenever any police officer of the Rhode Island Airport Corporation or whenever any police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal of any city, town, fire district, or the state of Rhode Island is wholly or partially incapacitated by reason of injuries received or sickness contracted in the performance of his or her duties or due to their rendering of emergency assistance within the physical boundaries of the state of Rhode Island at any occurrence involving the protection or rescue of human life which necessitates that they respond in a professional capacity when they would normally be considered by their employer to be officially off-duty, the respective city, town, fire district, state of Rhode Island or Rhode Island Airport Corporation by which the police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal, is employed, shall, during the period of the incapacity, pay the police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal, the salary or wage and benefits to which the police officer, fire fighter, crash rescue crewperson, fire marshal,

1 chief deputy fire marshal, or deputy fire marshal, would be entitled had he or she not been
2 incapacitated, and shall pay the medical, surgical, dental, optical, or other attendance, or
3 treatment, nurses, and hospital services, medicines, crutches, and apparatus for the necessary
4 period, except that if any city, town, fire district, the state of Rhode Island or Rhode Island
5 Airport Corporation provides the police officer, fire fighter, crash rescue crewperson, fire
6 marshal, chief deputy fire marshal, or deputy fire marshal, with insurance coverage for the related
7 treatment, services, or equipment, then the city, town, fire district, the state of Rhode Island or
8 Rhode Island Airport Corporation is only obligated to pay the difference between the maximum
9 amount allowable under the insurance coverage and the actual cost of the treatment, service, or
10 equipment. In addition, the cities, towns, fire districts, the state of Rhode Island or Rhode Island
11 Airport Corporation shall pay all similar expenses incurred by a member who has been placed on
12 a disability pension and suffers a recurrence of the injury or illness that dictated his or her
13 disability retirement, subject to the provisions of subsection (j) herein.

14 (b) As used in this section, "police officer" means and includes any chief or other
15 member of the police department of any city or town regularly employed at a fixed salary or wage
16 and any deputy sheriff, member of the fugitive task force, or capitol police officer, permanent
17 environmental police officer or criminal investigator of the department of environmental
18 management, or airport police officer.

19 (c) As used in this section, "fire fighter" means and includes any chief or other member of
20 the fire department or rescue personnel of any city, town, or fire district, and any person
21 employed as a member of the fire department of the town of North Smithfield, or fire department
22 or district in any city or town.

23 (d) As used in this section, "crash rescue crewperson" means and includes any chief or
24 other member of the emergency crash rescue section, division of airports, or department of
25 transportation of the state of Rhode Island regularly employed at a fixed salary or wage.

26 (e) As used in this section, "fire marshal," "chief deputy fire marshal", and "deputy fire
27 marshal" mean and include the fire marshal, chief deputy fire marshal, and deputy fire marshals
28 regularly employed by the state of Rhode Island pursuant to the provisions of chapter 28.2 of title
29 23.

30 (f) Any person employed by the state of Rhode Island, except for sworn employees of the
31 Rhode Island State Police, who is otherwise entitled to the benefits of chapter 19 of this title shall
32 be subject to the provisions of chapters 29 -- 38 of title 28 for all case management procedures
33 and dispute resolution for all benefits.

34 (g) In order to receive the benefits provided for under this section, a police officer or

1 firefighter must prove to their employer that he or she had reasonable grounds to believe that
2 there was an emergency which required an immediate need for their assistance for the protection
3 or rescue of human life.

4 (h) Any claims to the benefits provided for under this section resulting from the rendering
5 of emergency assistance in the state of Rhode Island at any occurrence involving the protection or
6 rescue of human life while off-duty, shall first require those covered by this section to submit a
7 sworn declaration to their employer attesting to the date, time, place and nature of the event
8 involving the protection or rescue of human life causing the professional assistance to be rendered
9 and the cause and nature of any injuries sustained in the protection or rescue of human life. Sworn
10 declarations shall also be required from any available witness to the alleged emergency involving
11 the protection or rescue of human life.

12 (i) All declarations required under this section shall contain the following language:

13 "Under penalty of perjury, I declare and affirm that I have examined this declaration,
14 including any accompanying schedules and statements, and that all statements contained herein
15 are true and correct."

16 (j) Any person receiving injured on-duty benefits pursuant to this section, and subject to
17 the jurisdiction of the state retirement board for accidental retirement disability, ~~for an injury~~
18 ~~occurring on or after July 1, 2011,~~ shall apply for an accidental disability retirement allowance
19 from the state retirement board not later than ~~the later of eighteen (18) months after the date of the~~
20 ~~person's injury that resulted in said person's injured on duty status or~~ sixty (60) days from the date
21 on which ~~a the~~ treating physician or an independent medical examiner certifies that the person has
22 reached maximum medical improvement, and in any event not later than eighteen (18) months
23 after the date of the person's injury that resulted in said person being on injured on-duty. Nothing
24 herein shall be construed to limit or alter any and all rights of the parties with respect to
25 independent medical examination or otherwise, as set forth in the applicable collective bargaining
26 agreement. Notwithstanding the forgoing, any person receiving injured on duty benefits as the
27 result of a static and incapacitating injury whose permanent nature is readily obvious and
28 ascertainable shall be required to apply for an accidental disability retirement allowance within
29 sixty (60) days from the date on which ~~a the~~ treating physician or an independent medical
30 examiner certifies that the person's injury is permanent, or sixty (60) days from the date on which
31 such determination of permanency is made in accordance with the independent medical
32 examination procedures as set forth in the applicable collective bargaining agreement.

33 (1) If a person with injured on duty status fails to apply for an accidental disability
34 retirement allowance from the state retirement board within the time frame set forth above, that

1 person's injured on duty payment shall terminate. Further, any person suffering a static and
2 incapacitating injury as set forth in subsection (j) above and who fails to apply for an accidental
3 disability benefit allowance as set forth in subsection (j) shall have his or her injured on duty
4 payment terminated.

5 (2) A person who so applies shall continue to receive injured on duty payments, and the
6 right to continue to receive ~~IOD~~ injured on-duty payments of a person who so applies shall
7 terminate upon final adjudication by the state retirement board approving or denying either
8 ordinary or accidental disability payments and, notwithstanding §45-21.2-9, this termination of
9 injured on duty benefits shall not be stayed. ~~in the event of a final ruling of the workers~~
10 ~~compensation court allowing accidental disability benefits. Nothing herein shall be construed to~~
11 ~~limit or alter any and all rights of the parties with respect to independent medical examination or~~
12 ~~otherwise, as set forth in the applicable collective bargaining agreement.~~

13 (3)(a) Notwithstanding any other provision of law, all persons entitled to benefits under
14 this section who were injured prior to July 1, 2019 and who have been receiving injured on duty
15 benefits pursuant to this section for a period of eighteen (18) months or longer as of July 1, 2019
16 shall have up to ninety (90) days from July 1, 2019 to apply for an accidental disability retirement
17 benefit allowance. Any person receiving injured on-duty benefits for a period less than eighteen
18 (18) months as of July 1, 2019 shall apply for an accidental disability retirement benefit
19 allowance within eighteen (18) months of the date of injury that resulted in said person receiving
20 injured on-duty pay, provided however, said person shall have a minimum of ninety (90) days to
21 apply.

22 Applications for disability retirement received by the state retirement board by any
23 person employed by the State of Rhode Island receiving injured on-duty payments that shall be
24 deemed untimely pursuant to §36-10-14(b) shall have ninety (90) days from July 1, 2019 to apply
25 for an accidental disability retirement benefit allowance. Failure to apply for an accidental
26 disability retirement benefit allowance within the timeframe set forth herein shall result in the
27 termination of injured on duty benefits.

28 (b) Any person who is currently receiving injured on-duty payments and who has been
29 denied or approved for an ordinary or accidental disability benefit based on a final adjudication of
30 the state retirement board, shall have injured on-duty payments terminated and, if approved, shall
31 receive benefits consistent with the award of an ordinary or accidental disability as applicable.

32 (4) If awarded an accidental disability pension, any person employed by the state of
33 Rhode Island covered under this section shall receive benefits consistent with §36-10-15.

34 SECTION 28. **Effective Date.** Sections 14, 15, 16, and 17 of this article shall take effect

1 September 1, 2019. The remaining sections of this article shall take effect upon passage.

2 **ARTICLE 4**

3 **RELATING TO GOVERNMENT REORGANIZATION**

4 SECTION 1. In any General or Special Law of the State of Rhode Island, and specifically
5 in Title 28, Chapters 39, 40, 42 and 43 of the General Laws of Rhode Island, 1956, as amended,
6 reference to the collection of temporary disability insurance, employment security taxes or job
7 development fund by the tax administrator and/or the division of taxation within the department
8 of administration or the department of revenue shall be construed to refer to the department of
9 labor and training. In ~~any reference in~~ Title 28, Chapters 39, 40, 42, ~~and~~ 43, any reference to the
10 tax administrator and/or the division of taxation within the department of administration or
11 department of revenue concerning ~~with reference to~~ the collection of revenues or any other duties
12 shall be construed to refer to the director of the department of labor and training. Any revenue
13 collection or any other duties conferred upon the tax administrator and/or division of taxation
14 within the department of administration or the department of revenue ~~and/or~~ by said Title 28,
15 Chapters 39, 40, 42 and 43 shall be construed to refer to the department of labor and training or
16 the director of the department of labor and training. The tax administrator within the department
17 of revenue division of taxation and the director of the department of labor and training shall be
18 authorized to share information under Title 28, Chapter 39, 40, 42, 43 and Title 44 for purposes
19 of tax administration and shall enter into a written memorandum of understanding to facilitate tax
20 administration.

21 SECTION 2. The law revision director of the joint committee on legislative services is
22 authorized and empowered to make appropriate changes in said Title 28, Chapters 39, 40, 42 and
23 43 and any other section of the laws to carry out the intent of this act.

24 SECTION 3. Chapter 30-17.1 of the General Laws entitled "Veterans' Affairs" is hereby
25 amended by adding thereto the following sections:

26 **30-17.1-14. Assistance on veterans claims.**

27 The office shall prepare and present before the veterans benefit administration of the
28 United States all legal claims of veterans for compensation, disability allowance, insurance, and
29 pensions of veterans of World War I, and all other veterans to whom benefits have been extended
30 pursuant to the provisions of chapter 22 of title 30, entitled "Extension of Veterans Benefits,"
31 who had a legal residence in this state at the time of entrance into the service or who have been
32 qualified electors in this state for two (2) years preceding the application for aid, and their
33 personal representatives or dependents, or both, and shall render to such persons reasonable
34 assistance in the preparation and presentation of any of those claims and shall perform such other

[duties as may be required by law. The office shall render such assistance without charge to the claimant.](#)

30-17.1-15. Special veterans' funds.

[The director of the office shall have control and supervision over any special funds provided for decorating and installing metal markers on the graves of soldiers, sailors, airmen, and marines, for the burial of honorably discharged soldiers, for the assistance of World War I veterans, and other expenditures relating to veteran soldiers, sailors, airmen, and marines.](#)

SECTION 4. Sections 30-17.1-1, 30-17.1-4, 30-17.1-6, 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 30-17.1 entitled "Veterans' Affairs" are hereby amended to read as follows:

30-17.1-6. Establishment of the office of veterans' affairs; director.

(a) There is hereby established within the executive branch of government an office of veterans' affairs. The director of the office of veterans' affairs shall be a person qualified through experience and training and shall be an honorably discharged war veteran of the United States armed forces. The director of the office of veterans' affairs shall be appointed by and report directly to the governor, but the office shall reside within the ~~department of human services~~ [executive office of health and human services](#) for administrative purposes.

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

30-17.1-7. Annual report to general assembly.

The director of veterans' affairs shall report annually, no later than January 31st of each year, to the governor, speaker of the house of representatives, the senate president, and house and senate finance committees, setting forth, in detail, the condition of the veterans' home, any veterans' cemetery authorized and established by the general assembly, and in general the character of the work of veterans' affairs [the office](#), and shall render in the report a faithful account of all moneys received and expended by the director of human services [secretary of the office of health and human services](#) and by the office of veterans' affairs in the execution of the provisions of this chapter and chapter 24 of this title, excepting the names of persons to whom they have furnished assistance which shall be omitted.

30-17.1-10. Veterans' services strategic plan advisory committee established.

1 (a) There is hereby created a veterans' services strategic plan advisory committee known
2 as "the Rhode Island veterans' services strategic plan advisory committee" consisting of fourteen
3 (14) members as follows:

4 (1) One of whom shall be the director of the office of veterans' affairs, or his or her
5 designee, who shall serve as chairperson;

6 (2) One of whom shall be the ~~director of the department of human services~~ secretary of
7 the executive office of health and human services, or his or her designee;

8 (3) One of whom shall be the executive director of the public transit authority, or his or
9 her designee;

10 (4) One of whom shall be the postsecondary education commissioner, or his or her
11 designee;

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

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

15 (7) One of whom shall be the director of the ~~division~~ office of elderly affairs, or his or her
16 designee;

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

19 (9) One of whom shall be the chief judge of the district court, or his or her designee;

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

22 (11) One of whom shall be the director of the Rhode Island commerce corporation, or his
23 or her designee;

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

25 (13) One of whom shall be the adjutant general of the Rhode Island national guard, or his
26 or her designee; and

27 (14) One of whom shall be a representative for Rhode Island municipal governments.

28 (b) Forthwith upon the passage of this chapter, the members of the advisory committee
29 shall meet at the call of the chairperson and organize. Thereafter, the committee shall meet at the
30 call of the chairperson or three (3) members of the advisory committee.

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

34 (d) The office of veterans' affairs is hereby directed to provide suitable quarters and staff

1 for the advisory committee.

2 (e) [Deleted by P.L. 2017, ch. 131, § 1 and P.L. 2017, ch. 152, § 1].

3 (f) The members of the advisory committee shall receive no compensation for their
4 services.

5 **30-17.1-11. The duties of the committee.**

6 (a) The advisory committee, acting through the office of veterans' affairs, shall work in
7 conjunction with ~~the department of human services~~ executive office of health and human services
8 to develop, maintain, and annually update a five-year (5) statewide veterans' services strategic
9 plan ("VSSP") that includes goals and measurable outcomes to ensure that all departments deliver
10 comprehensive services and supports for veterans and their families.

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

- 13 (1) Living in poverty;
- 14 (2) Disability benefits;
- 15 (3) Employment and training;
- 16 (4) Education;
- 17 (5) Family members and caregivers;
- 18 (6) Financial planning;
- 19 (7) Homelessness;
- 20 (8) Legal services;
- 21 (9) Long-term care;
- 22 (10) Mortuary affairs;
- 23 (11) Healthcare;
- 24 (12) Transitional assistance; and
- 25 (13) Transportation.

26 (c) The chairperson of the committee shall consult regularly with veterans and
27 community groups that represent diverse interests and viewpoints and the federal department of
28 veterans' affairs, to receive input on all matters pertaining to the preparation or implementation of
29 the veterans' services strategic plan.

30 (d) The "VSSP" shall:

- 31 (1) Be based upon comprehensive data gained through open and transparent engagement
32 of veterans' stakeholders;
- 33 (2) Produce veteran-centric policies and procedures informed by forward looking
34 planning;

- 1 (3) Realistically assess resource adequacy and capabilities delivered;
- 2 (4) Ensure that existing resources are aligned to mission critical objectives;
- 3 (5) Complement, as well as leverage, existing U.S. Veterans' Administration programs
- 4 and best practices;
- 5 (6) Foster state, federal, and private partnerships that seamlessly deliver exceptional
- 6 services to the state's veteran population; and
- 7 (7) More effectively coordinate the delivery of veterans' services to all current and future
- 8 veterans in Rhode Island.

9 SECTION 5. Sections 30-24-1, 30-24-2, 30-24-5, 30-24-6, 30-24-9 and 30-24-10 of the

10 General Laws in Chapter 30-24 entitled "Rhode Island Veterans' Home" are hereby amended to

11 read as follows:

12 **30-24-1. Management and control.**

13 The management and control of the Rhode Island veterans' home, established in this state

14 for those who served in the army, navy, marine corps, coast guard, merchant marines, or air force

15 of the United States in any war or conflict and were honorably discharged therefrom, who shall

16 be in need of such care as is provided at the home, shall be the responsibility of the ~~director of~~

17 ~~human services~~ secretary of the executive office of health and human services, or his or her

18 designee.

19 **30-24-2. Bylaws and regulations -- Supervision by director.**

20 (a) The ~~director of human services~~ secretary of the executive office of health and human

21 services, or his or her designee, shall have the general supervision over, and shall prescribe rules

22 for, the government and management of the Rhode Island veterans' home. He or she shall make

23 all needful bylaws and regulations governing the admission, maintenance, and discharge of the

24 residents of the home, which shall not be inconsistent with the spirit and intent of this chapter,

25 and generally may do all things necessary to successfully carry into effect the purposes of this

26 chapter.

27 (b) The director ~~director of human services~~ secretary of the executive office of health and

28 human services shall appoint and employ all subordinate officials and persons needed for the

29 proper management of the home.

30 **30-24-6. Acceptance of gifts -- Veterans' home restricted account.**

31 (a) The ~~director of human services~~ secretary of the executive office of health and human

32 services is hereby authorized and empowered to take and receive in the name of the state any

33 grant, devise, gift, or bequest of real or personal property that may be made for the use and

34 benefit of the Rhode Island veterans' home or the residents or purposes thereof. All money so

1 received, and all money received under the provisions of §§ 30-24-9 and 30-24-10, shall be paid
2 over to the general treasurer and shall be kept by him or her as a restricted account to be known as
3 the "veterans' home restricted account". Use of the "veterans' home restricted account" funds may
4 only be made upon prior approval of the house of representatives' finance committee and senate
5 finance committee. The ~~director,~~ [secretary of the executive office of health and human services](#)
6 may sell and dispose of any real or personal property received under this section, and any
7 property received under § 30-24-9, and the proceeds of the sale shall be paid over to the general
8 treasurer to be made a part of the restricted account. The restricted account shall be used for the
9 improvement of social, recreational, and educational programs, including the purchase of
10 educational and recreational supplies and equipment for the welfare of members and for
11 operational expenses and capital improvements at the veterans' home and veterans' cemetery, as
12 deemed necessary by the ~~director of human services~~ [secretary of the executive office of health](#)
13 [and human services](#).

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

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

21 **30-24-9. Property of deceased residents.**

22 All goods, chattels, property, money, and effects of a deceased resident of the Rhode
23 Island veterans' home that have not been disposed of by him or her by a completed inter vivos
24 conveyance or gift, or by a valid will, after payment therefrom of the funeral expenses, which
25 shall not exceed ten thousand dollars (\$10,000), and after payment therefrom of the reasonable
26 debts and expenses of the deceased resident to be determined by rules and regulations as shall be
27 adopted by the director, shall upon his or her decease become the property of the state, and shall
28 be applied by the ~~director of human services~~ [secretary of the executive office of health and human](#)
29 [services](#), or his or her designee, to the uses and purposes of the veterans' restricted account;
30 provided, however, that the director may, in his or her discretion, deliver to any surviving relative
31 of the deceased resident any of the property or effects as may serve as a memento of the deceased
32 resident. For purposes of this section, the provisions of chapter 24 of title 33 shall be applicable.

33 **30-24-10. Admissible to home -- Fees.**

34 (a) Any person who has served in the army, navy, marine corps, coast guard, or air force

1 of the United States for a period of ninety (90) days or more and that period began or ended
2 during any foreign war in which the United States shall have been engaged or in any expedition
3 or campaign for which the United States government issues a campaign medal, and who was
4 honorably discharged from it, and who shall be deemed to be in need of care provided at the
5 Rhode Island veterans' home, may be admitted to that facility subject to such rules and
6 regulations as shall be adopted by the ~~director of human services~~ secretary of the executive office
7 of health and human services to govern the admission of applicants to the facility. Any person
8 who has served in the armed forces of the United States designated herein and otherwise
9 qualified, who has served less than the ninety-day (90) period described in this section, and who
10 was honorably discharged from service, and who, as a result of the service, acquired a service-
11 connected disability or disease, may be admitted. No person shall be admitted to the facility
12 unless the person has been accredited to the enlistment or induction quota of the state or has
13 resided in the state for at least two (2) consecutive years next prior to the date of the application
14 for admission to the facility.

15 (b)(1) The ~~director~~ secretary of the executive office of health and human services shall, at
16 the end of each fiscal year, determine the net, per-diem expenses of maintenance of residents in
17 the facility and shall assess against each resident who has "net income", as defined in this section,
18 a fee equal to eighty percent (80%) of the resident's net income, provided that fee shall not exceed
19 the actual cost of care and maintenance for the resident; and provided that an amount equal to
20 twenty percent (20%) of the maintenance fee assessed shall be allocated to, and deposited in, the
21 veterans' restricted account. For the purposes of this section, "net income" is defined as gross
22 income minus applicable federal and state taxes and minus:

23 (i) An amount equal to one hundred fifty dollars (\$150) per month of residency and fifty
24 percent (50%) of any sum received due to wounds incurred under battle conditions for which the
25 resident received the purple heart; and

26 (ii) The amount paid by a resident for the support and maintenance of his or her spouse,
27 parent(s), minor child(ren), or child(ren) who is/are blind or permanently and totally disabled as
28 defined in title XVI of the Federal Social Security Act, 42 U.S.C. §§ 1381 -- 1383d, subject to a
29 maximum amount to be determined by rules and regulations as shall be adopted by the director.

30 (2) The fees shall be paid monthly to the home and any failure to make payment when
31 due shall be cause for dismissal from the facility. Prior to dismissal, the resident shall be afforded
32 administrative due process.

33 (c) Admissions to the veterans' home shall be made without discrimination as to race,
34 color, national origin, religion, sex, disability, marital status, age, sexual orientation, gender

1 identity or expression, assets, or income.

2 (d) Laundry services shall be provided to the residents of the Rhode Island veterans'
3 home at no charge to the residents, with such funds to cover the cost of providing laundry
4 services for residents of the Rhode Island veterans' home derived from monies appropriated to the
5 ~~department of human services~~ [executive office of health and human services](#).

6 SECTION 6. Sections 30-25-8, 30-25-9, 30-25-10, 30-25-11, 30-25-12, 30-25-13 and 30-
7 25-14 of the General Laws in Chapter 30-25 entitled "Burial of Veterans" are hereby amended to
8 read as follows:

9 **30-25-8. Maintenance of north cemetery.**

10 The director of human services [secretary of the executive office of health and human](#)
11 [services](#) shall be custodian of the Rhode Island soldiers' burial lots, and the monument and grave
12 markers thereon, located in the north cemetery in the town of Bristol. He or she shall, from time
13 to time, cause such work to be done as may be necessary in keeping the lots, monuments, and
14 markers in good condition and repair.

15 **30-25-9. Expenses of north cemetery.**

16 The director of human services [secretary of the executive office of health and human](#)
17 [services](#), is authorized to make such expenditures as may be necessary in carrying out the
18 purposes of § 30-25-8, and the state controller is hereby authorized and directed upon receipt of
19 proper vouchers approved by the state ~~director of human services~~ [secretary of the executive](#)
20 [office of health and human services](#), to draw orders upon the general treasurer for the payment of
21 such sums as may be required, from the funds under the control of the ~~director of human services~~
22 [secretary of the executive office of health and human services](#), known as the veterans' home,
23 restricted account.

24 **30-25-10. Care of neglected graves.**

25 The ~~director of human services~~ [secretary of the executive office of health and human](#)
26 [services](#) is authorized and empowered to undertake the care of any grave of any soldier or sailor
27 who fought in the war of the revolution, or who at any time served the United States in any war,
28 when the grave appears to have been neglected or abandoned. For that purpose, the ~~director~~
29 [secretary](#), and the agents or employees of the ~~division~~ [office](#), when duly authorized thereunto by
30 the ~~director~~ [secretary](#), may enter into and upon any public or private cemetery or burial place to
31 clear any grave of grass, weeds, brush, briars, or rubbish; to erect, replace, repair, or renovate
32 fences, memorial stones, or markers; and to perform the other tasks as may be necessary to
33 restore and maintain the grave and its surroundings in a decent and orderly condition.

34 **30-25-11. Consent of custodian of neglected grave.**

1 When any cemetery or burial place containing a neglected grave is found by the ~~director~~
2 ~~of human services~~ secretary of the executive office of health and human services, or the agents or
3 employees of the division ~~division~~ executive office, to be under the custody or control of some
4 private owner or public authority, then the ~~director~~ secretary shall obtain permission, in writing,
5 from the person or persons having custody or control before entering into and upon the cemetery
6 or burial place; provided, that if no person or persons can be found having the custody or control
7 of the cemetery or burial place, the ~~director~~ secretary shall assume the right of entry and shall
8 perform the duties specified in § 30-25-10, without further notice.

9 **30-25-12. Appropriations for care of graves.**

10 The general assembly shall, from time to time, appropriate such sums as it may deem
11 necessary to be expended by the ~~director of human services~~ secretary of the executive office of
12 health and human services in carrying out the purposes of §§ 30-25-10 and 30-25-11, and the
13 state controller is hereby authorized and directed, upon the receipt of the proper vouchers
14 approved by the director ~~director~~ secretary, to draw orders upon the general treasurer for the
15 payment of such sums as may be required, within the amount appropriated therefor.

16 **30-25-13. Acceptance and administration of gifts.**

17 The ~~director of human services~~ secretary of the executive office of health and humans
18 services may accept in the name of the state, and may administer, any devise, bequest, or gift that
19 is to be expended for the general purposes of this chapter. All sums received by devise, bequest,
20 or gift from any person or corporation shall be deposited with the general treasurer, and by him or
21 her kept in a special fund, to be known as "the veterans' cemetery fund", and held subject to the
22 order of the director.

23 **30-25-14. Rhode Island veterans' memorial cemetery.**

24 (a) The Rhode Island veterans' memorial cemetery, located on the grounds of the Joseph
25 H. Ladd school in the town of Exeter, shall be under the management and control of the director
26 of the department of human services ~~director of the department of human services~~ secretary of the
27 executive office of health and human services. The ~~director of the department of human services~~
28 secretary of the executive office of health and human services shall appoint an administrator for
29 the Rhode Island veterans' memorial cemetery who shall be an honorably discharged veteran of
30 the United States Armed Forces and shall have the general supervision over, and shall prescribe
31 rules for, the government and management of the cemetery. He or she shall make all needful rules
32 and regulations governing the operation of the cemetery and generally may do all things
33 necessary to ensure the successful operation thereof. The ~~director~~ secretary shall promulgate rules
34 and regulations, not inconsistent with the provisions of 38 U.S.C. § 2402, to govern the eligibility

1 for burial in the Rhode Island veterans' memorial cemetery. In addition to all persons eligible for
2 burial pursuant to rules and regulations established by the director, any person who served in the
3 army, navy, air force, or marine corps of the United States for a period of not less than two (2)
4 years and whose service was terminated honorably, shall be eligible for burial in the Rhode Island
5 veterans' memorial cemetery. The ~~director~~ secretary shall appoint and employ all subordinate
6 officials and persons needed for the proper management of the cemetery. National guard
7 members who are killed in the line of duty or who are honorably discharged after completion of
8 at least twenty (20) years' of service in the Rhode Island national guard and their spouse shall be
9 eligible for interment in the Rhode Island veterans' memorial cemetery. For the purpose of
10 computing service under this section, honorable service in the active forces or reserves shall be
11 considered toward the twenty (20) years of national guard service. The general assembly shall
12 make an annual appropriation to the ~~department of human services~~ executive office of health and
13 human services to provide for the operation and maintenance for the cemetery. The ~~director~~
14 secretary shall charge and collect a grave liner fee per interment of the eligible spouse and/or
15 eligible dependents of the qualified veteran equal to the department's cost for the grave liner.

16 (b) No domestic animal shall be allowed on the grounds of the Rhode Island veterans'
17 memorial cemetery, whether at large or under restraint, except for seeing eye guide dogs, hearing
18 ear signal dogs or any other service animal, as required by federal law or any personal assistance
19 animal, as required by chapter 9.1 of title 40. Any person who violates the provisions of this
20 section shall be subject to a fine of not less than five hundred dollars (\$500).

21 (c) The state of Rhode Island office of veterans' affairs shall bear the cost of all tolls
22 incurred by any motor vehicles that are part of a veteran's funeral procession, originating from
23 Aquidneck Island ending at the veterans' memorial cemetery, for burial or internment. The
24 executive director of the turnpike and bridge authority shall assist in the administration and
25 coordination of this toll reimbursement program.

26 SECTION 7. Section 30-27-1 of the General Laws in Chapter 30-27 entitled "Veterans'
27 Organizations" is hereby repealed as follows.

28 ~~30-27-1. Appropriations for annual encampment of Spanish war veterans.~~

29 ~~The general assembly shall annually appropriate such sum as it may deem necessary to~~
30 ~~defray the expenses of the annual encampment of the united spanish war veterans, department of~~
31 ~~Rhode Island, to be expended under the direction of the department of human services or of any~~
32 ~~other department as the general assembly shall indicate and direct at any future time; and the~~
33 ~~controller is hereby authorized and directed to draw orders upon the general treasurer for the~~
34 ~~payment of that sum, or so much thereof as may be necessary from time to time, upon the receipt~~

1 ~~by the controller of proper vouchers approved by the director of human services, or such other~~
2 ~~approving authority as the general assembly may direct.~~

3 SECTION 8. Section 30-28-10 of the General Laws in Chapter 30-28 entitled
4 "Monuments and Memorials" is hereby amended to read as follows:

5 **30-28-10. Rhode Island veterans memorial chapel.**

6 The Rhode Island Veterans Memorial Chapel Building Fund, Inc. is hereby authorized to
7 construct a nonsectarian memorial chapel in the Rhode Island veterans cemetery located in
8 Exeter, Rhode Island; provided, however, that the plans for the memorial chapel shall be
9 approved by the director of administration; provided further that the Rhode Island Veterans
10 Memorial Chapel Building Fund, Inc. grant to the state all of its right, title, and interest in the
11 chapel; and provided further that the management and control of the chapel shall be with the
12 ~~director of the department of human services~~ secretary of the executive office of health and
13 human services.

14 SECTION 9. Sections 31-38-7 and 31-38-18 of the General Laws in Chapter 31-38
15 entitled "Inspection of Motor Vehicles" are hereby amended to read as follows:

16 **31-38-7. Operation of official stations.**

17 (a) No permit for an official station shall be assigned or transferred or used at any
18 location other than designated in it, and the permit shall be posted in a conspicuous place at the
19 designated location.

20 (b) The state certified person operating an official inspection station shall issue a
21 certificate of inspection and approval upon an official form to the owner of a vehicle upon
22 inspection of the vehicle and determining that its equipment required under the provisions of this
23 chapter is in good condition and proper adjustment, otherwise, no certificate shall be issued. A
24 record and report shall be made of every inspection and every certificate issued. The records shall
25 be kept available for review by ~~the motor vehicle inspection station commission or~~ those
26 employees of the department of revenue that the director may designate.

27 (c) The following fees shall be charged for inspection and issuance of certificate of
28 inspection and approval:

29 (1) For every vehicle with a registered gross weight of not more than eight thousand five
30 hundred pounds (8,500 lbs.), the fee shall be included with the fee charged pursuant to § 31-47.1-
31 11;

32 (2) For every vehicle of a registered gross weight of more than eight thousand five
33 hundred pounds (8,500 lbs.) or more, except trailers, fifteen dollars (\$15.00);

34 (3) For every motorcycle and electrically powered vehicle, eleven dollars (\$11.00);

1 (4) For every trailer or semi-trailer with a registered gross weight of more than one
2 thousand pounds (1,000 lbs.), eleven dollars (\$11.00); and

3 (5) Provided that for the inspection of vehicles used for the transportation of persons for
4 hire, as provided in § 31-22-12, and subject to an inspection pursuant to chapter 47.1 of this title,
5 the fee shall be included with the fee charged pursuant to § 31-47.1-11.

6 (d) The director of the department of revenue may establish a state inspection facility at
7 which any motor vehicle may be reinspected at no cost to the owner. The state inspection facility
8 may inspect all public conveyance vehicles or these inspections may be otherwise provided for by
9 the director, or any other vehicles which in the opinion of the director of revenue, or his or her
10 designee, require specific testing to ensure for the health and safety of the general public.

11 (e) Any other inspections or activities which may be required to be performed at a state
12 inspection facility may be performed at any official inspection station if determined by the
13 director.

14 **31-38-18. Conduct of hearings.**

15 The director of the department of revenue~~commission~~ shall hold and conduct hearings in
16 accordance with § 31-38-17. These hearings shall be governed by rules to be adopted by the
17 director of the department of revenue~~commission~~, and the director of the department of
18 revenue~~commission~~ shall not be bound by technical rules of evidence. The director of the
19 department of revenue~~commission~~ may subpoena witnesses and require the producing of
20 documental evidence, ~~and shall sit as an impartial independent body~~ in order to make decisions
21 affecting the interest of the motor vehicle inspection owner and/or operator. ~~The concurrence of a~~
22 ~~majority of the members present and voting of the commission is required for a decision.~~

23 SECTION 10. Sections 31-38-15 and 31-38-16 of the General Laws in Chapter 31-38
24 entitled "Inspection of Motor Vehicles" are hereby repealed.

25 **~~31-38-15. Motor vehicle inspection commission.~~**

26 ~~(a) Within the department of revenue there shall be a motor vehicle inspection~~
27 ~~commission, referred to in this chapter as the "commission", which shall function as a unit in the~~
28 ~~department. The commission shall consist of seven (7) members who shall be appointed by the~~
29 ~~governor, with the advice and consent of the senate. In making said appointments, the governor~~
30 ~~shall give due consideration to including in the commission's membership one or more garage~~
31 ~~keeper(s) and/or inspection station owner(s).~~

32 ~~(b) The tenure of all members of the commission as of the effective date of this act~~
33 ~~[March 29, 2006] shall expire on the effective date of this act [March 29, 2006], and the governor~~
34 ~~shall nominate seven (7) new members as follows:~~

1 ~~(1) The governor shall appoint seven (7) members of the commission; three (3) of whom~~
2 ~~shall serve initial terms of three (3) years; two (2) of whom shall serve an initial term of two (2)~~
3 ~~years; and two (2) of whom shall serve an initial term of one year.~~

4 ~~(2) Thereafter, all members of the commission shall be appointed to serve three (3) year~~
5 ~~terms.~~

6 ~~(c) The governor shall designate one member of the commission to serve as chairperson.~~
7 ~~The commission may elect from among its members such other officers as they deem necessary.~~

8 ~~(d) No person shall be eligible for appointment to the commission after the effective date~~
9 ~~of this act [March 29, 2006] unless he or she is a resident of this state.~~

10 ~~(e) Four (4) members of the commission shall constitute a quorum.~~

11 ~~(f) Members of the commission shall be removable by the governor pursuant to the~~
12 ~~provisions of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or~~
13 ~~personal reasons unrelated to capacity of fitness for the office shall be unlawful.~~

14 ~~(g) Within ninety (90) days after the end of each fiscal year, the commission shall~~
15 ~~approve and submit an annual report to the governor, the speaker of the house of representatives,~~
16 ~~the president of the senate, and the secretary of state of its activities during that fiscal year. The~~
17 ~~report shall provide: an operating statement summarizing meetings or hearings held, including~~
18 ~~meeting minutes, subjects addressed, decisions rendered, licenses considered and their~~
19 ~~disposition, rules or regulations promulgated, studies conducted, policies and plans developed,~~
20 ~~approved or modified and programs administered or initiated; a consolidated financial statement~~
21 ~~of all funds received and expended including the source of the funds, a listing of any staff~~
22 ~~supported by these funds and a summary of any clerical, administrative or technical support~~
23 ~~received; a summary of performance during the previous fiscal year including accomplishments,~~
24 ~~shortcomings and remedies; a synopsis of hearings, complaints, suspensions or other legal matters~~
25 ~~related to the authority of the commission; a summary of any training courses held pursuant to the~~
26 ~~provisions of this section; a briefing on anticipated activities in the upcoming fiscal year; and~~
27 ~~findings and recommendations for improvements. The report shall be posted electronically on the~~
28 ~~general assembly and secretary of state's websites as prescribed in § 42-20-8.2. The director of~~
29 ~~the department of revenue shall be responsible for the enforcement of the provisions of this~~
30 ~~subsection.~~

31 ~~(h) To conduct a training course for newly appointed and qualified members within six~~
32 ~~(6) months of their qualification or designation. The course shall be developed by the chair of the~~
33 ~~commission, approved by the commission, and conducted by the chair of the commission. The~~
34 ~~commission may approve the use of any commission or staff members or other individuals to~~

~~assist with training. The training course shall include instruction in the following areas: the provisions of chapters 42-46, 36-14, and 38-2; and the commission's rules and regulations. The director of the department of revenue shall, within ninety (90) days of the effective date of this act [March 29, 2006], prepare and disseminate training material relating to the provisions of chapters 42-46, 36-14, and 38-2.~~

~~31-38-16. Meetings -- Compensation.~~

~~The commission shall meet at least once a month to consider any matters that may be proper before it. The members of the commission shall receive no compensation for their services, but each member shall be reimbursed for traveling or other expenses that are actually incurred in the discharge of the member's duties.~~

SECTION 11. Sections 35-1.1-1 through 35-1.1-5 of the General Laws in Chapter 35-1.1 entitled "Office of Management and Budget" are hereby amended to read as follows:

35-1.1-1. Statement of intent.

The purpose of this chapter is to establish a comprehensive public finance and management system for the State of Rhode Island that manages a data-driven budget process, monitors state departments' and agencies' performance, ~~maximizes the application for and use of federal grants~~ improves the regulatory climate and ensures accountability and transparency regarding the use of public funds and regulatory impact.

35-1.1-2. Establishment of the office of management and budget.

There is hereby established within the department of administration an office of management and budget. This office shall serve as the principal agency of the executive branch of state government for managing budgetary functions, regulatory review, performance management, internal audit, and federal grants management. In this capacity, the office shall:

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

~~(2) Identify federal grant funding opportunities to support the governor's and general assembly's major policy initiatives and provide technical assistance with the application process and post-award grants management;~~

(2) Analyze the impact of proposed regulations on the public and state as required by chapters 42-64.13 and 42-35;

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

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

1 (5) Maximize efficiencies in departments, agencies, advisory councils, and
2 instrumentalities of the state by improving processes and prioritizing programs;

3 (6) Be responsible for the internal audit function of state government and conduct audits
4 of any state department, state agency, or private entity that is a recipient of state funding or state
5 grants; provide management advisory and consulting services; or conduct investigations relative
6 to the financial affairs or the efficiency of management, or both, of any state department or
7 agency.

8 **35-1.1-3. Director of management and budget -- Appointment and responsibilities.**

9 (a) Within the department of administration there shall be a director of management and
10 budget who shall be appointed by the director of administration with the approval of the
11 governor. The director shall be responsible to the governor and director of administration for
12 supervising the office of management and budget and for managing and providing strategic
13 leadership and direction to the budget officer, the performance management office, and the
14 federal grants management office.

15 (b) The director of management and budget shall be responsible to:

16 (1) Oversee, coordinate, and manage the functions of the budget officer as set forth by
17 chapter 3 of this title; program performance management as set forth by § 35-3-24.1; approval of
18 agreements with federal agencies defined by § 35-3-25; and budgeting, appropriation, and receipt
19 of federal monies as set forth by chapter 41 of title 42;

20 [\(2\) Oversee the director of regulatory reform as set forth by § 42-64.13-6;](#)

21 ~~(2) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse~~
22 ~~for the application of federal grants;~~

23 (3) Maximize the indirect cost recoveries by state agencies set forth by § 35-4-23.1; and

24 (4) Undertake a comprehensive review and inventory of all reports filed by the executive
25 office and agencies of the state with the general assembly. The inventory should include, but not
26 be limited to: the type, title, and summary of reports; the author(s) of the reports; the specific
27 audience of the reports; and a schedule of the reports' release. The inventory shall be presented to
28 the general assembly as part of the budget submission on a yearly basis. The office of
29 management and budget shall also make recommendations to consolidate, modernize the reports,
30 and to make recommendations for elimination or expansion of each report.

31 **35-1.1-4. Offices and functions assigned to the office of management and budget --**
32 **Powers and duties.**

33 (a) The offices assigned to the office of management and budget include the budget
34 office, [the office of regulatory reform](#), the performance management office, [and the](#) office of

1 internal audit, ~~and the federal grants management office.~~

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

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

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

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

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

16 **35-1.1-5. Federal grants management.**

17 (a) The ~~office of management and budget~~ controller shall be responsible for managing
18 federal grant applications, providing administrative assistance to agencies regarding reporting
19 requirements, providing technical assistance and approving agreements with federal agencies
20 pursuant to § 35-1-1. The ~~director~~ controller shall:

21 (1) Establish state goals and objectives for maximizing the utilization of federal aid
22 programs;

23 (2) Ensure that the state establishes and maintains statewide federally-mandated grants
24 management processes and procedures as mandated by the federal Office of Management and
25 Budget;

26 (3) Promulgate procedures and guidelines for all state departments, agencies, advisory
27 councils, instrumentalities of the state and public higher education institutions covering
28 applications for federal grants;

29 (4) Require, upon request, any state department, agency, advisory council,
30 instrumentality of the state or public higher education institution receiving a grant of money from
31 the federal government to submit a report to the ~~director~~ controller of expenditures and program
32 measures for the fiscal period in question;

33 (5) Ensure state departments and agencies adhere to the requirements of § 42-41-5
34 regarding Legislative appropriation authority and delegation thereof;

1 (6) ~~Assist the state controller in managing and overseeing~~ Manage and
2 oversee the disbursements of federal funds in accordance with § 35-6-42;

3 (7) ~~Assist the state controller in the preparation of~~ Prepare the statewide cost allocation
4 plan and serve as the monitoring agency to ensure that state departments and agencies are
5 working within the guidelines contained in the plan; and,

6 (8) Provide technical assistance to agencies to ensure resolution and closure of all single
7 state audit findings and recommendations made by the Auditor General related to Federal
8 funding.

9 (b) ~~The office of management and budget~~ Accounts and control shall serve as the ~~S~~state
10 ~~C~~clearinghouse for purposes of coordinating federal grants, aid and assistance applied for and/or
11 received by any state department, agency, advisory council or instrumentality of the state. Any
12 state department, agency, advisory council, or instrumentality of the state applying for federal
13 funds, aids, loans, or grants shall file a summary notification of the intended application with the
14 ~~director~~ controller.

15 (1) When as a condition to receiving federal funds, the state is required to match the
16 federal funds, a statement shall be filed with the notice of intent or summary of the application
17 stating:

18 (i) The amount and source of state funds needed for matching purposes;

19 (ii) The length of time the matching funds shall be required;

20 (iii) The growth of the program;

21 (iv) How the program will be evaluated;

22 (v) What action will be necessary should the federal funds be canceled, curtailed, or
23 restricted; and,

24 (vi) Any other financial and program management data required by the office or by law.

25 (2) Except as otherwise required, any application submitted by an executive agency for
26 federal funds, aids, loans, or grants which will require state matching or replacement funds at the
27 time of application or at any time in the future, must be approved by the director of the office of
28 management and budget or their designated agents prior to its filing with the appropriate federal
29 agency. Any application submitted by an executive agency for federal funds, aids, loans, or grants
30 which will require state matching or replacement funds at the time of application or at any time in
31 the future, when funds have not been appropriated for that express purpose, must be approved by
32 the General Assembly in accordance with § 42-41-5. When the general assembly is not in session,
33 the application shall be reported to and reviewed by the Director pursuant to rules and regulations
34 promulgated by the Director.

(3) When any federal funds, aids, loans, or grants are received by any state department, agency, advisory council or instrumentality of the state, a report of the amount of funds received shall be filed with the office; and this report shall specify the amount of funds which would reimburse an agency for indirect costs, as provided for under federal ~~OMB Circular A-~~
~~87~~[requirements](#).

(4) The ~~director~~[controller](#) may refuse to issue approval for the disbursement of any state or federal funds from the State Treasury as the result of any application which is not approved as provided by this section, or in regard to which the statement or reports required by this section were not filed.

(5) The ~~director~~[controller](#) shall be responsible for the orderly administration of this section and for issuing the appropriate guidelines and regulations from each source of funds used.

SECTION 12. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and Control" is hereby amended to read as follows:

35-6-1. Controller -- Duties in general.

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

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

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

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

[\(4\) Identify federal grant funding opportunities to support the governor's and general assembly's major policy initiatives and provide technical assistance with the application process and post-award grants management;](#)

[\(5\) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse for the application of federal grants;](#)

~~(4)~~[\(6\)](#) Preaudit all state receipts and expenditures;

~~(5)~~[\(7\)](#) Prepare financial statements required by the several departments and agencies, by the governor, or by the general assembly;

~~(6)~~[\(8\)](#) Approve the orders drawn on the general treasurer; provided, that the preaudit of all expenditures under authority of the legislative department and the judicial department by the state controller shall be purely ministerial, concerned only with the legality of the expenditure and

1 availability of the funds, and in no event shall the state controller interpose his or her judgment
2 regarding the wisdom or expediency of any item or items of expenditure;

3 ~~(7)~~(9) Prepare and timely file, on behalf of the state, any and all reports required by the
4 United States, including, but not limited to, the internal revenue service, or required by any
5 department or agency of the state, with respect to the state payroll; and

6 ~~(8)~~(10) Prepare a preliminary closing statement for each fiscal year. The controller shall
7 forward the statement to the chairpersons of the house finance committee and the senate finance
8 committee, with copies to the house fiscal advisor and the senate fiscal and policy advisor, by
9 September 1 following the fiscal year ending the prior June 30 or thirty (30) days after enactment
10 of the appropriations act, whichever is later. The report shall include but is not limited to:

11 (i) A report of all revenues received by the state in the completed fiscal year, together
12 with the estimates adopted for that year as contained in the final enacted budget, and together
13 with all deviations between estimated revenues and actual collections. The report shall also
14 include cash collections and accrual adjustments;

15 (ii) A comparison of actual expenditures with each of the actual appropriations, including
16 supplemental appropriations and other adjustments provided for in the Rhode Island General
17 Laws;

18 (iii) A statement of the opening and closing surplus in the general revenue account; and
19 (iv) A statement of the opening surplus, activity, and closing surplus in the state budget
20 reserve and cash stabilization account and the state bond capital fund.

21 (b) The controller shall provide supporting information on revenues, expenditures, capital
22 projects, and debt service upon request of the house finance committee chairperson, senate
23 finance committee chairperson, house fiscal advisor, or senate fiscal and policy advisor.

24 (c) Upon issuance of the audited annual financial statement, the controller shall provide a
25 report of the differences between the preliminary financial report and the final report as contained
26 in the audited annual financial statement.

27 (d) The controller shall create a special fund not part of the general fund and shall deposit
28 amounts equivalent to all deferred contributions under this act into that fund. Any amounts
29 remaining in the fund on June 15, 2010, shall be transferred to the general treasurer who shall
30 transfer such amounts into the retirement system as appropriate.

31 (e) The controller shall implement a direct deposit payroll system for state employees.

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

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

4 (iii) No later than June 30, 2016, each employee hired before September 30, 2014, who is
5 not a participant in the direct deposit system, shall identify a financial institution that will serve as
6 a personal depository agent for the employee.

7 (iv) The controller shall promulgate rules and regulations as necessary for
8 implementation and administration of the direct deposit system, which shall include limited
9 exceptions to required participation.

10 SECTION 13. Chapter 39-3 of the General Laws entitled "Regulatory Powers of
11 Administration" is hereby amended by adding thereto the following section:

12 **39-3-45. Transfer of powers, functions and resources from the water resources**
13 **board.** (a) There are hereby transferred to the division of public utilities and carriers those
14 powers and duties formerly administered by the department of administration and/or the
15 employees of the water resources board as provided for in chapter 46-15 ("Water Resources
16 Management") through 46-15.8 ("Water Use and Efficiency Act"), inclusive, and any other
17 applicable provisions of the general laws.

18 (b) Unless otherwise specified by statute, all resources of the water resources board,
19 including, but not limited to, property, employees and accounts, are hereby transferred to the
20 division of public utilities and carriers effective July 1, 2019.

21 (c) As part of the above transfer, except for the general manager, all employees of the
22 water resources board currently subject to the provisions of chapter 4 of title 36 shall continue to
23 be subject to those provisions.

24 SECTION 14. Sections 40-1-4 and 40-1-6 of the General Laws in Chapter 40-1 entitled
25 "Department of Human Services" are hereby amended to read as follows:

26 **40-1-4. Organization of department.**

27 All functions, services, and duties of the department of human services shall be organized
28 by the director with the approval of the governor as to:

29 (1) Community services to include generally and specifically the administration of all
30 forms of human services excluding child welfare services, which are the responsibility of the
31 department of children, youth, and families.

32 (2) Management services to include generally and specifically all central management,
33 financial, forms of relief, and other services concerned with the business and servicing operations
34 of the department.

~~(3) Veterans' affairs to include all forms of services to veterans of the armed forces. There shall be within the department of human services a division of veterans' affairs.~~

40-1-6. Officers required to be veterans.

The respective officers appointed by the ~~director of human services~~ secretary of the executive office of health and human services to be in charge of the state's administration of veterans' relief, of graves' registration, and the commandant and the assistant commandant of the Rhode Island veterans' home, in addition to any other qualifications required for their respective positions as already provided in law, shall each be an honorably discharged war veteran of any war in which the United States has been engaged.

SECTION 15. Sections 42-6-1, 42-6-2 and 42-6-3 of the General Laws in Chapter 42-6 entitled "Departments of State Government" are hereby amended to read as follows:

42-6-1. Enumeration of departments.

All the administrative powers and duties heretofore vested by law in the several state departments, boards, divisions, bureaus, commissions, and other agencies shall be vested in the following departments and other agencies which are specified in this title:

- (a) Executive department (chapter 7 of this title);
- (b) Department of state (chapter 8 of this title);
- (c) Department of the attorney general (chapter 9 of this title);
- (d) Treasury department (chapter 10 of this title);
- (e) Department of administration (chapter 11 of this title);
- (f) Department of business regulation (chapter 14 of this title);
- (g) Department of children, youth and families (chapter 72 of this title);
- (h) Department of corrections (chapter 56 of this title);
- ~~(i) Department of elderly affairs (chapter 66 of this title);~~
- ~~(j)~~ Department of elementary and secondary education (chapter 60 of title 16);
- ~~(k)~~ Department of environmental management (chapter 17.1 of this title);
- ~~(l)~~ Department of health (chapter 18 of this title);
- ~~(m)~~ Board of governors for higher education (chapter 59 of title 16);
- ~~(n)~~ Department of labor and training (chapter 16.1 of this title);
- ~~(o)~~ Department of behavioral healthcare, developmental disabilities and hospitals (chapter 12.1 of this title);
- ~~(p)~~ Department of human services (chapter 12 of this title);
- ~~(q)~~ Department of transportation (chapter 13 of this title);
- ~~(r)~~ Public utilities commission (chapter 14.3 of this title);

1 (~~sr~~) Department of revenue (chapter 142 of title 42);

2 (~~ts~~) Department of public safety (chapter 7.3 of this title).

3 **42-6-2. Heads of departments.**

4 The governor, secretary of state, attorney general, and general treasurer, hereinafter
5 called general officers, shall each be in charge of a department. There shall also be a director of
6 administration, a director of revenue, a director of public safety, a director of human services, a
7 director of behavioral healthcare, developmental disabilities and hospitals, a director of
8 transportation, a director of business regulation, a director of labor and training, a director of
9 environmental management, a director for children, youth and families, ~~a director of elderly~~
10 ~~affairs~~, and a director of corrections. Each director shall hold office at the pleasure of the
11 governor and he or she shall serve until his or her successor is duly appointed and qualified unless
12 the director is removed from office by special order of the governor.

13 **42-6-3. Appointment of directors.**

14 (a) At the January session following his or her election to office, the governor shall
15 appoint a director of administration, a director of revenue, a director of public safety, a director of
16 human services, a director of behavioral healthcare, developmental disabilities and hospitals, a
17 director of transportation, a director of business regulation, a director of labor and training, a
18 director of environmental management, a director for children, youth and families, ~~a director of~~
19 ~~elderly affairs~~, and a director of corrections. The governor shall, in all cases of appointment of a
20 director while the senate is in session, notify the senate of his or her appointment and the senate
21 shall, within sixty (60) legislative days after receipt of the notice, act upon the appointment. If the
22 senate shall, within sixty (60) legislative days, vote to disapprove the appointment it shall so
23 notify the governor, who shall forthwith appoint and notify the senate of the appointment of a
24 different person as director and so on in like manner until the senate shall fail to so vote
25 disapproval of the governor's appointment. If the senate shall fail, for sixty (60) legislative days
26 next after notice, to act upon any appointment of which it has been notified by the governor, the
27 person so appointed shall be the director. The governor may withdraw any appointment of which
28 he or she has given notice to the senate, at any time within sixty (60) legislative days thereafter
29 and before action has been taken thereon by the senate.

30 (b) Except as expressly provided in § 42-6-9, no director of any department shall be
31 appointed or employed pursuant to any contract of employment for a period of time greater than
32 the remainder of the governor's current term of office. Any contract entered into in violation of
33 this section after July 1, 1994 is hereby declared null and void.

34 SECTION 16. Sections 42-7.2-2, 42-7.2-4, 42-7.2-5, 42-7.2-6, 42-7.2-6.1, 42-7.2-9, 42-

7.2-15 and 42-7.2-17 of the General Laws in Chapter 42-7.2 entitled "Office of Health and Human Services" are hereby amended to read as follows:

42-7.2-2. Executive office of health and human services.

There is hereby established within the executive branch of state government an executive office of health and human services to serve as the principal agency of the executive branch of state government for managing the departments of children, youth and families, health, human services, and behavioral healthcare, developmental disabilities and hospitals [and offices of elder and veterans' affairs](#). In this capacity, the office shall:

(a) Lead the state's four (4) health and human services departments [and the offices of elder and veterans' affairs](#) in order to:

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

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

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

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

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

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

(7) To act in conjunction with the department of behavioral healthcare, developmental disabilities and hospitals as the state's co-designated agency (42 U.S.C. § 300x-30(a)) for administering federal aid and for the purposes of the calculation of expenditures relative to the substance-abuse block grant and federal funding maintenance of effort.

42-7.2-4. Responsibilities of the secretary.

1 (a) The secretary shall be responsible to the governor for supervising the executive office
2 of health and human services and for managing and providing strategic leadership and direction
3 to the four (4) departments [and two \(2\) offices](#).

4 (b) Notwithstanding the provisions set forth in this chapter, the governor shall appoint the
5 directors of the departments within the executive office of health and human services. Directors
6 appointed to those departments shall continue to be subject to the advice and consent of the senate
7 and shall continue to hold office as set forth in §§ 42-6-1 et seq. and 42-72-1(c).

8 **42-7.2-5. Duties of the secretary.**

9 The secretary shall be subject to the direction and supervision of the governor for the
10 oversight, coordination and cohesive direction of state administered health and human services
11 and in ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this
12 capacity, the Secretary of Health and Human Services shall be authorized to:

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

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

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

1 section;

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

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

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

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

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

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

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

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

27 The directors of the departments [or offices](#), as well as local governments and school
28 departments, shall assist and cooperate with the secretary in fulfilling this responsibility by
29 providing whatever resources, information and support shall be necessary.

30 (5) Resolve administrative, jurisdictional, operational, program, or policy conflicts
31 among departments [and offices](#) and their executive staffs and make necessary recommendations
32 to the governor.

33 (6) Assure continued progress toward improving the quality, the economy, the
34 accountability and the efficiency of state-administered health and human services. In this

1 capacity, the secretary shall:

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

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

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

16 (iv) Improve the coordination and efficiency of health and human services legal functions
17 by centralizing adjudicative and legal services and overseeing their timely and judicious
18 administration;

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

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

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

31 (7) Prepare and integrate comprehensive budgets for the health and human services
32 departments [and offices](#) and any other functions and duties assigned to the office. The budgets
33 shall be submitted to the state budget office by the secretary, for consideration by the governor,
34 on behalf of the state's health and human services agencies in accordance with the provisions set

1 forth in § 35-3-4 of the Rhode Island general laws.

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

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

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

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

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

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

24 (14) Hold the director of each health and human services department [and office](#)
25 accountable for their administrative, fiscal and program actions in the conduct of the respective
26 powers and duties of their agencies.

27 **42-7.2-6. Departments assigned to the executive office -- Powers and duties.**

28 (a) The departments [and offices](#) assigned to the secretary shall:

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

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

1 (3) Provide such records and information as may be requested or required by the
2 governor and/or the secretary to perform the duties set forth in subsection 6 of this chapter. Upon
3 developing, acquiring or transferring such records and information, the secretary shall assume
4 responsibility for complying with the provisions of any applicable general or public law,
5 regulation, or agreement relating to the confidentiality, privacy or disclosure of such records or
6 information.

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

8 (b) Except as provided herein, no provision of this chapter or application thereof shall be
9 construed to limit or otherwise restrict the department of children, youth and families, the
10 department of health, the department of human services, and the department of behavioral
11 healthcare, developmental disabilities and hospitals [or the offices of elder and veterans' affairs](#)
12 from fulfilling any statutory requirement or complying with any valid rule or regulation.

13 **42-7.2-6.1. Transfer of powers and functions.**

14 (a) There are hereby transferred to the executive office of health and human services the
15 powers and functions of the departments with respect to the following:

16 (1) Fiscal services including budget preparation and review, financial management,
17 purchasing and accounting and any related functions and duties deemed necessary by the
18 secretary;

19 (2) Legal services including applying and interpreting the law, oversight to the rule-
20 making process, and administrative adjudication duties and any related functions and duties
21 deemed necessary by the secretary;

22 (3) Communications including those functions and services related to government
23 relations, public education and outreach and media relations and any related functions and duties
24 deemed necessary by the secretary;

25 (4) Policy analysis and planning including those functions and services related to the
26 policy development, planning and evaluation and any related functions and duties deemed
27 necessary by the secretary;

28 (5) Information systems and data management including the financing, development and
29 maintenance of all data-bases and information systems and platforms as well as any related
30 operations deemed necessary by the secretary;

31 (6) Assessment and coordination for long-term care including those functions related to
32 determining level of care or need for services, development of individual service/care plans and
33 planning, identification of service options, the pricing of service options and choice counseling;
34 and

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

5 (8) Protective services including any such services provided to children, elders and adults
6 with developmental and other disabilities;

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

8 (10) The HIV/AIDS care and treatment programs.

9 [\(11\) The Office of Elder Affairs functions, formerly administered by the Department of](#)
10 [Human Services, and rules and regulations promulgated by the office.](#)

11 [\(12\) The Office of Veterans' Affairs functions, formerly administered by the Department](#)
12 [of Human Services, and rules and regulations promulgated by the office.](#)

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

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

18 (1) Minimal disruption of services to consumers;

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

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

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

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

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

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

27 (d) Except as provided herein, no provision of this chapter or application thereof shall be
28 construed to limit or otherwise restrict the departments of children, youth and families, human
29 services, health, and behavioral healthcare, developmental disabilities and hospitals [or offices of](#)
30 [elder and veterans' affairs](#) from fulfilling any statutory requirement or complying with any
31 regulation deemed otherwise valid.

32 (e) The secretary shall prepare and submit to the leadership of the house and senate
33 finance committees, by no later than January 1, 2010, a plan for restructuring functional
34 responsibilities across the departments to establish a consumer centered integrated system of

1 health and human services that provides high quality and cost-effective services at the right time
2 and in the right setting across the life-cycle.

3 **42-7.2-9. Appointment of employees.**

4 The secretary, subject to the provisions of applicable state law, shall be the appointing
5 authority for all employees of the executive office of health and human services. The secretary
6 may assign this function to such subordinate officers and employees of the executive office as
7 may to him or her seem feasible or desirable. The appointing authority of the secretary provided
8 for herein shall not affect, interfere with, limit, or otherwise restrict the appointing authority
9 vested in the directors for the employees of the departments [and offices](#) under applicable general
10 and public laws.

11 **42-7.2-15. Applicability.**

12 Nothing in this chapter shall change, transfer or interfere with, or limit or otherwise
13 restrict the general assembly's sole authority to appropriate and re-appropriate fiscal resources to
14 the departments [and offices](#); the statutory or regulatory duties of the directors of the departments
15 [and offices](#), or the appointing authority for the employees of the departments [and offices](#) vested in
16 the directors under applicable general and public laws.

17 **42-7.2-17. Statutory reference to the office of health and human services.**

18 Notwithstanding other statutory references to the department of human services,
19 wherever in the general or public laws, or any rule or regulation, any reference shall appear to the
20 "department of human services" or to "department" as it relates to any responsibilities for and/or
21 to Medicaid, [the office of elder affairs or the office of veterans' affairs](#) unless the context
22 otherwise requires, it shall be deemed to mean "the office of health and human services."

23 SECTION 17. Section 42-11-10 of the General Laws in Chapter 42-11 entitled
24 "Department of Administration" is hereby amended to read as follows:

25 **42-11-10. Statewide planning program.**

26 (a) Findings. The general assembly finds that the people of this state have a fundamental
27 interest in the orderly development of the state; the state has a positive interest and demonstrated
28 need for establishment of a comprehensive, strategic state planning process and the preparation,
29 maintenance, and implementation of plans for the physical, economic, and social development of
30 the state; the continued growth and development of the state presents problems that cannot be met
31 by the cities and towns individually and that require effective planning by the state; and state and
32 local plans and programs must be properly coordinated with the planning requirements and
33 programs of the federal government.

34 (b) Establishment of statewide planning program.

1 (1) A statewide planning program is hereby established to prepare, adopt, and amend
2 strategic plans for the physical, economic, and social development of the state and to recommend
3 these to the governor, the general assembly, and all others concerned.

4 (2) All strategic planning, as defined in subsection (c) of this section, undertaken by all
5 departments and agencies of the executive branch unless specifically exempted, shall be
6 conducted by or under the supervision of the statewide planning program. The statewide planning
7 program shall consist of a state planning council, and the division of planning, which shall be a
8 division within the department of administration.

9 (c) Strategic planning. Strategic planning includes the following activities:

10 (1) Establishing or identifying general goals.

11 (2) Refining or detailing these goals and identifying relationships between them.

12 (3) Formulating, testing, and selecting policies and standards that will achieve desired
13 objectives.

14 (4) Preparing long-range or system plans or comprehensive programs that carry out the
15 policies and set time schedules, performance measures, and targets.

16 (5) Preparing functional, short-range plans or programs that are consistent with
17 established or desired goals, objectives, and policies, and with long-range or system plans or
18 comprehensive programs where applicable, and that establish measurable, intermediate steps
19 toward their accomplishment of the goals, objectives, policies, and/or long-range system plans.

20 (6) Monitoring the planning of specific projects and designing of specific programs of
21 short duration by the operating departments, other agencies of the executive branch, and political
22 subdivisions of the state to ensure that these are consistent with, and carry out the intent of,
23 applicable strategic plans.

24 (7) Reviewing the execution of strategic plans, and the results obtained, and making
25 revisions necessary to achieve established goals.

26 (d) State guide plan. Components of strategic plans prepared and adopted in accordance
27 with this section may be designated as elements of the state guide plan. The state guide plan shall
28 be comprised of functional elements or plans dealing with land use; physical development and
29 environmental concerns; economic development; housing production; energy supply, including
30 the development of renewable energy resources in Rhode Island, and energy access, use, and
31 conservation; human services; and other factors necessary to accomplish the objective of this
32 section. The state guide plan shall be a means for centralizing, integrating, and monitoring long-
33 range goals, policies, plans, and implementation activities related thereto. State agencies
34 concerned with specific subject areas, local governments, and the public shall participate in the

1 state guide planning process, which shall be closely coordinated with the budgeting process.

2 (e) Membership of state planning council. The state planning council shall consist of the

3 following members:

4 (1) The director of the department of administration as chairperson;

5 (2) The director, policy office, in the office of the governor, as vice-chairperson;

6 (3) The governor, or his or her designee;

7 (4) The budget officer;

8 (5) The chairperson of the housing resources commission;

9 (6) The highest-ranking administrative officer of the division of planning, as secretary;

10 (7) The president of the Rhode Island League of Cities and Towns or his or her designee

11 and one official of local government who shall be appointed by the governor from a list of not

12 less than three (3) submitted by the Rhode Island League Cities and Towns;

13 (8) The executive director of the Rhode Island League of Cities and Towns;

14 (9) One representative of a nonprofit community development or housing organization

15 appointed by the governor;

16 (10) Six (6) public members, appointed by the governor, one of whom shall be an

17 employer with fewer than fifty (50) employees and one of whom shall be an employer with

18 greater than fifty (50) employees;

19 (11) Two (2) representatives of a private, nonprofit, environmental advocacy

20 organization, both to be appointed by the governor;

21 (12) The director of planning and development for the city of Providence;

22 (13) The director of the department of transportation;

23 (14) The director of the department of environmental management;

24 (15) The director of the department of health;

25 (16) The chief executive officer of the commerce corporation;

26 (17) The commissioner of the Rhode Island office of energy resources;

27 (18) The chief executive officer of the Rhode Island public transit authority;

28 (19) The executive director of Rhode Island housing; and

29 (20) The executive director of the coastal resources management council.

30 (f) Powers and duties of state planning council. The state planning council shall have the

31 following powers and duties:

32 (1) To adopt strategic plans as defined in this section and the long-range state guide plan,

33 and to modify and amend any of these, following the procedures for notification and public

34 hearing set forth in § 42-35-3, and to recommend and encourage implementation of these goals to

1 the general assembly, state and federal agencies, and other public and private bodies; approval of
2 strategic plans by the governor; and to ensure that strategic plans and the long-range state guide
3 plan are consistent with the findings, intent, and goals set forth in § 45-22.2-3, the "Rhode Island
4 Comprehensive Planning and Land Use Regulation Act";

5 (2) To coordinate the planning and development activities of all state agencies, in
6 accordance with strategic plans prepared and adopted as provided for by this section;

7 (3) To review and comment on the proposed annual work program of the statewide
8 planning program;

9 (4) To adopt rules and standards and issue orders concerning any matters within its
10 jurisdiction as established by this section and amendments to it;

11 (5) To establish advisory committees and appoint members thereto representing diverse
12 interests and viewpoints as required in the state planning process and in the preparation or
13 implementation of strategic plans. The state planning council shall appoint a permanent
14 committee comprised of:

15 (i) Public members from different geographic areas of the state representing diverse
16 interests; and

17 (ii) Officials of state, local, and federal government, who shall review all proposed
18 elements of the state guide plan, or amendment or repeal of any element of the plan, and shall
19 advise the state planning council thereon before the council acts on any such proposal. This
20 committee shall also advise the state planning council on any other matter referred to it by the
21 council; and

22 (6) To establish and appoint members to an executive committee consisting of major
23 participants of a Rhode Island geographic information system with oversight responsibility for its
24 activities.

25 (7) To adopt, amend, and maintain, as an element of the state guide plan or as an
26 amendment to an existing element of the state guide plan, standards and guidelines for the
27 location of eligible, renewable energy resources and renewable energy facilities in Rhode Island
28 with due consideration for the location of such resources and facilities in commercial and
29 industrial areas, agricultural areas, areas occupied by public and private institutions, and property
30 of the state and its agencies and corporations, provided such areas are of sufficient size, and in
31 other areas of the state as appropriate.

32 (8) To act as the single, statewide metropolitan planning organization for transportation
33 planning, and to promulgate all rules and regulations that are necessary thereto.

34 (g) Division of planning.

1 (1) The division of planning shall be the principal staff agency of the state planning
2 council for preparing and/or coordinating strategic plans for the comprehensive management of
3 the state's human, economic, and physical resources. The division of planning shall recommend
4 to the state planning council specific guidelines, standards, and programs to be adopted to
5 implement strategic planning and the state guide plan and shall undertake any other duties
6 established by this section and amendments thereto.

7 (2) The division of planning shall maintain records (which shall consist of files of
8 complete copies) of all plans, recommendations, rules, and modifications or amendments thereto
9 adopted or issued by the state planning council under this section. The records shall be open to
10 the public.

11 (3) The division of planning shall manage and administer the Rhode Island geographic
12 information system of land-related resources, and shall coordinate these efforts with other state
13 departments and agencies, including the University of Rhode Island, which shall provide
14 technical support and assistance in the development and maintenance of the system and its
15 associated data base.

16 (4) The division of planning shall coordinate and oversee the provision of technical
17 assistance to political subdivisions of the state in preparing and implementing plans to accomplish
18 the purposes, goals, objectives, policies, and/or standards of applicable elements of the state guide
19 plan and shall make available to cities and towns data and guidelines that may be used in
20 preparing comprehensive plans and elements thereof and in evaluating comprehensive plans and
21 elements thereby.

22 (h) [Deleted by P.L. 2011, ch. 215, § 4, and by P.L. 2011, ch. 313, § 4].

23 ~~(i) The division of planning shall be the principal staff agency of the water resources~~
24 ~~board established pursuant to chapter 15 of title 46 ("Water Resources Board") and the water~~
25 ~~resources board corporate established pursuant to chapter 15.1 of title 46 ("Water Supply~~
26 ~~Facilities").~~

27 SECTION 18. Section 42-11-10.1 of the General Laws in Chapter 42-11 entitled
28 "Department of Administration" is hereby repealed.

29 ~~**42-11-10.1. Transfer of powers, functions and resources from the water resources**~~
30 ~~**board.**~~

31 ~~(a) There are hereby transferred to the division of planning within the department of~~
32 ~~administration those powers and duties formerly administered by the employees of the water~~
33 ~~resources board as provided for in chapter 46-15 ("Water Resources Board") through 46-15.8~~
34 ~~("Water Use and Efficiency Act"), inclusive, and any other applicable provisions of the general~~

1 ~~laws; provided, however, the governor shall submit to the 2012 assembly any recommended~~
2 ~~statutory changes necessary to facilitate the merger.~~

3 ~~(b) All resources of the water resources board, including, but not limited to, property,~~
4 ~~employees and accounts, are hereby transferred to the division of planning.~~

5 ~~(c) As part of the above transfer, except for the general manager, all employees of the~~
6 ~~water resources board currently subject to the provisions of chapter 4 of title 36 shall continue to~~
7 ~~be subject to those provisions.~~

8 SECTION 19. Sections 42-12-1.3, 42-12-2, 42-12-5 and 42-12-7 of the General Laws in
9 Chapter 42-12 entitled "Department of Human Services" are hereby repealed.

10 ~~**42-12-1.3. Transfer of functions from the department of elderly affairs.**~~

11 ~~There is hereby transferred from the department of elderly affairs to the department of~~
12 ~~human services the following function: to provide and coordinate the "elderly/disabled~~
13 ~~transportation" program including a passenger cost sharing program as defined and provided for~~
14 ~~under rules and regulations promulgated by the department.~~

15 ~~**42-12-2. Management of institutions.**~~

16 ~~The department of human services shall have the management, supervision, and control~~
17 ~~of the adult correctional institutions, training school for boys, training school for girls, Doctor~~
18 ~~Patrick I. O'Rourke children's center, and Rhode Island veterans' home, and such other functions~~
19 ~~as have been or may be assigned. The department also shall operate, maintain and repair the~~
20 ~~buildings, grounds, and other physical property at the institutions, other than the roads and~~
21 ~~driveways thereof which shall be under the care and supervision of the department of~~
22 ~~transportation.~~

23 ~~**42-12-5. Assistance on veterans' claims.**~~

24 ~~The department of human services shall also prepare and present before the Veterans~~
25 ~~Administration of the United States all legal claims of veterans for compensation, disability~~
26 ~~allowance, insurance and pensions of veterans of World War I, and all other veterans to whom~~
27 ~~benefits have been extended pursuant to the provisions of chapter 22 of title 30 entitled~~
28 ~~"Extension of Veterans' Benefits" who had a legal residence in this state at the time of entrance~~
29 ~~into the service or who have been qualified electors in this state for two (2) years next preceding~~
30 ~~the application for aid, and their personal representatives or dependents, or both, and shall render~~
31 ~~to such persons reasonable assistance in the preparation and presentation of any of those claims~~
32 ~~and shall perform such other duties as may be by law required. The department shall render such~~
33 ~~assistance without charge to the claimant.~~

34 ~~**42-12-7. Special veterans' funds.**~~

~~The director of the department of human services shall have control and supervision over any special funds provided for decorating and installing metal markers on the graves of soldiers, sailors, airmen, and marines, for the burial of honorably discharged soldiers, for the assistance of World War I veterans and other expenditures relating to veteran soldiers, sailors, airmen, and marines.~~

SECTION 20. Sections 42-12-23 and 42-12-23.1 of the General Laws in Chapter 42-12 entitled "Department of Human Services" are hereby amended to read as follows:

42-12-23. Child care -- Planning and coordinating.

(a) The department of human services shall be the principal agency of the state for the planning and coordination of state involvement in the area of child care. To accomplish this purpose, the department's duties shall include submitting an annual report to the governor and the general assembly on the status of child care in Rhode Island.

(b) The annual report of the department shall include, but not be limited to, the following information:

(1) The amount of state and federal funds spent on child care in each of the two (2) preceding years;

(2) The number of child care providers licensed; ~~pursuant to the provisions of chapter 72.1 of this title;~~

(3) The number of children served in state subsidized programs;

(4) The number of taxpayers who have claimed the child care assistance and development tax credit pursuant to chapter 47 of title 44;

(5) The average cost for both infant and preschool child care;

(6) An estimate of unmet needs for child care;

(7) Information on child care staff salaries and training and education programs, and

(8) Recommendations for any changes in child care public policy.

~~(c) The department shall cooperate with the unit of the department of children, youth, and families which licenses and monitors child care providers pursuant to the terms of chapter 72.1 of this title.~~

~~(d)~~(c) The department is hereby charged with the responsibility of assuring that a statewide child care resource and referral system exists in this state to provide services and consumer information to assist parents in locating and choosing licensed, approved and/or certified providers, and to maintain data necessary for such referrals.

42-12-23.1. Quality of early care and education and school-age child care through voluntary quality rating system.

1 (a) There is hereby established a voluntary quality rating system which will assess quality
2 in early care and education programs and school-age child care. For purposes of this section,
3 early care and education programs and school-age child care shall mean programs licensed under
4 chapter ~~72.1, title 42~~ [12.5, title 42](#) and approved under chapter 48, title 16, including without
5 limitation child care centers, family child care homes, group family child care homes, school-age
6 child care programs and preschools, but excluding child placement agencies. The voluntary
7 quality rating system is established to promote continuous quality improvement of programs and
8 to further the goals of Rhode Island's "starting right" initiative.

9 (b) The department of human services, the department of children, youth and families, the
10 department of health, the department of elementary and secondary education and other partners
11 and agencies shall share information and work cooperatively with the Rhode Island quality rating
12 system, a public-private partnership, to ensure that Rhode Island children have access to quality
13 early care and education programs and school-age child care.

14 (c) The voluntary quality rating system shall also provide a mechanism to gather data
15 about program quality, and shall report this information to parents, providers and other persons
16 interested in the quality of early care and education programs and school-age child care services
17 in Rhode Island.

18 SECTION 21. Title 42 of the General Laws entitled "STATE AFFAIRS AND
19 GOVERNMENT" is hereby amended by adding thereto the following chapter:

20 [CHAPTER 42-12.5](#)

21 [LICENSING AND MONITORING OF CHILD DAY CARE PROVIDERS](#)

22 **42-12.5-1. Statement of purpose.**

23 [\(a\) The director of the department of human services shall establish within the](#)
24 [department a unit to license and monitor child day care service providers to protect the health,](#)
25 [safety and wellbeing of children while being cared for as a commercial service and are away from](#)
26 [their homes.](#)

27 [\(b\) Services for children requiring licensure under this chapter shall include all child day](#)
28 [care providers which offer services within the state, except as defined in § 42-12.5-5](#)

29 **42-12.5-2. Definitions.**

30 [As used in this chapter:](#)

31 [\(1\) "Administrator of licensing" means the director of the licensing unit \(or his/her](#)
32 [designee\) that carries out the provisions of this chapter, hereafter referred to as the](#)
33 ["administrator".](#)

34 [\(2\) "Applicant" means a child day care provider that applies for a license to operate.](#)

- 1 (3) "Child" means any person less than eighteen (18) years of age;
- 2 (4) "Child day care" means daily care and/or supervision offered commercially to the
3 public for any part of a twenty-four (24) hour day to children away from their homes.
- 4 (5) "Child day care center" means any person, firm, corporation, association, or agency
5 who, on a regular or irregular basis, receives any child under the age of sixteen (16) years, for the
6 purpose of care and/or supervision, not in a home or residence, apart from the child's parent or
7 guardian for any part of a twenty-four (24) hour day irrespective of compensation. It shall include
8 child day care programs that are offered to employees at the worksite. It does not include
9 preschool programs operating in schools approved by the commissioner of elementary and
10 secondary education.
- 11 (6) "Child day care provider" means a person or agency, which offers daily care and/or
12 supervision offered commercially to the public for any part of a twenty-four (24) hour day to
13 children away from their homes.
- 14 (7) "Department" means the department of human services (DHS).
- 15 (8) "Director" means the director of the department of human services, or the director's
16 designee.
- 17 (9) "Family day care home" means any home other than the child's home in which child
18 day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more
19 children who are not relatives of the care giver.
- 20 (10) "Group family day care home" means a residence occupied by an individual of at
21 least twenty-one (21) years of age who provides care for not less than nine (9) and not more than
22 twelve (12) children, with the assistance of one or more approved adults, for any part of a twenty-
23 four (24) hour day. These programs shall be subject to yearly licensing as addressed in this
24 chapter and shall comply with all applicable state and local fire, health, and zoning regulations.
- 25 (11) "Licensee" means any person, firm, corporation, association, or agency, which holds
26 a valid license under this chapter.
- 27 (12) "Regulation" means any requirement for licensure, promulgated pursuant to this
28 chapter having the force of law.
- 29 (13) "Related" means any of the following relationships, by marriage, blood or adoption,
30 even following the death or divorce of a natural parent: parent, grandparent, brother, sister, aunt,
31 uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto, a
32 defendant who relies for a defense upon the relationship of any child to him or herself, the
33 defendant shall have the burden of proof as to the relationship.

34 **42-12.5-3. Powers and scope of activities.**

1 (a) The department shall issue, deny, suspend, and revoke licenses for, and monitor the
2 operation of, facilities and programs by child day care providers, as defined in § 42-12.5-2.

3 (b) The department is hereby authorized and directed to adopt, amend, and rescind
4 regulations in accordance with this chapter and implement its provisions. The regulations shall be
5 promulgated and become effective in accordance with the provisions of the Administrative
6 Procedures Act, chapter 35 of title 42 and shall address, but need not be limited to the following:

7 (1) Financial, administrative and organizational ability, and stability of the applicant;
8 (2) Compliance with specific fire and safety codes and health regulations;
9 (3) Character, health suitability, qualifications of child day care providers;
10 (4) Staff/child ratios and workload assignments of staff providing care or supervision to
11 children;

12 (5) Type and content of records or documents that must be maintained to collect and
13 retain information for the planning and caring for children;

14 (6) Procedures and practices regarding basic child day care to ensure protection to the
15 child;

16 (7) Service to families of children in care;
17 (8) Program activities, including components related to physical growth, social,
18 emotional, educational, and recreational activities;

19 (9) Investigation of previous employment, criminal record check and department records
20 check; and

21 (10) Immunization and testing requirements for communicable diseases, including, but
22 not limited to, tuberculosis, of child day care providers and children at any child day-care center
23 or family day-care home as is specified in regulations promulgated by the director of the
24 department of health. Notwithstanding the foregoing, all licensing and monitoring authority shall
25 remain with the department of human services.

26 (c) The department through its licensing unit shall administer and manage the regulations
27 pertaining to the licensing and monitoring of child day care providers, and shall exercise all
28 statutory and administrative powers necessary to carry out its functions.

29 (d) The administrator shall investigate complaints of noncompliance, and shall take
30 licensing action as may be necessary pursuant to this chapter.

31 (e) The administrator may:

32 (1) Prescribe any forms for reports, statements, notices, and other documents deemed
33 necessary;

34 (2) Prepare and publish manuals and guides explaining this chapter and the regulations to

1 facilitate compliance with and enforcement of the regulations;

2 (3) Prepare reports and studies to advance the purpose of this chapter;

3 (4) Provide consultation and technical assistance, as requested, to assist licensees in
4 maintaining compliance; and

5 (f) The department may promulgate rules and regulations for the establishment of child
6 day care centers located on the second floor.

7 (g) When the department is otherwise unsuccessful in remedying noncompliance with the
8 provisions of this chapter and the regulations promulgated thereunder it may petition the superior
9 court for an order enjoining the noncompliance or for any order that equity and justice may
10 require.

11 (h) The department shall collaborate with the departments of children, youth, and
12 families, elementary and secondary education, and health to provide monitoring, mentoring,
13 training, technical assistance, and other services which are necessary and appropriate to
14 improving the quality of child day care offered by child day care providers who are certified,
15 licensed, or approved by the department or the department of elementary and secondary education
16 or who are seeking certification, licensure, or approval pursuant to § 42-12.5 or § 16-48-2,
17 including non-English speaking providers.

18 **42-12.5-4. License required.**

19 (a) No person shall receive or place children in child day care services, including day care
20 arrangements, without a license issued pursuant to this chapter. This requirement does not apply
21 to a person related by blood, marriage, guardianship or adoption to the child, unless that
22 arrangement is for the purposes of day care.

23 (b) The licensing requirement does not apply to shelter operations for parents with
24 children, boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and
25 centers for developmentally disabled children.

26 (c) No person, firm, corporation, association, or agency shall operate a family day care
27 home without a registration certificate issued by the department, unless they hold an unexpired
28 registration certificate issued by the Department of Children, Youth, and Families prior to
29 January 1, 2020.

30 (d) No state, county, city, or political subdivision shall operate a child day care agency or
31 center, program or facility without a license issued pursuant to this chapter.

32 (e) No person shall be exempt from a required license by reason of public or private,
33 sectarian, non-sectarian, child day care program, for profit or non-profit status, or by any other
34 reason of funding, sponsorship, or affiliation.

1 **42-12.5-5. General licensing provisions.**

2 The following general licensing provisions shall apply:

3 (1) A license issued under this chapter is not transferable and applies only to the licensee
4 and the location stated in the application and remains the property of the department. A license
5 shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
6 continuing compliance with the regulations, except that a certificate issued to a family day care
7 home shall be valid for two (2) years from the date of issue.

8 (2) Every license application issued pursuant to § 42-12.5-4 shall be accompanied by a
9 nonrefundable application fee paid to the State of Rhode Island as follows:

10 (a) Child day care center license- five hundred dollars (\$500);

11 (b) Group family day care home license – two hundred and fifty dollars (\$250);

12 (c) Family day care home license- one hundred dollars (\$100).

13 (3) All fees collected by the State pursuant to paragraph (2) of this section shall be
14 deposited by the general treasurer as general revenues.

15 (4) A licensee shall comply with applicable state fire and health safety standards.

16 (5) The department may grant a provisional license to an applicant who is not able to
17 demonstrate compliance with all of the regulations because the program or residence is not in full
18 operation; however, the applicant must meet all regulations that can be met in the opinion of the
19 administrator before the program is fully operational. The provisional license shall be granted for
20 a limited period not to exceed six (6) months and shall be subject to review every three (3)
21 months.

22 (6) The department may grant a probationary license to a licensee who is temporarily
23 unable to comply with a rule or rules when the noncompliance does not present an immediate
24 threat to the health and well-being of the children, and when the licensee has obtained a plan
25 approved by the administrator to correct the areas of noncompliance within the probationary
26 period. A probationary license shall be issued for up to twelve (12) months; it may be extended
27 for an additional six (6) months at the discretion of the administrator. A probationary license that
28 states the conditions of probation may be issued by the administrator at any time for due cause.
29 Any prior existing license is invalidated when a probationary license is issued. When the
30 probationary license expires, the administrator may reinstate the original license to the end of its
31 term, issue a new license, suspend, or revoke the license.

32 (7) The administrator will establish criteria and procedure for granting variances as part
33 of the regulations.

34 (8) The above exceptions (probationary and provisional licensing and variances) do not

1 apply to and shall not be deemed to constitute any variance from state fire and health safety
2 standards. However, if a request for a variance of fire inspection deficiencies has been submitted
3 to the fire safety code board of appeal and review, DHS may grant a provisional license to
4 terminate no later than thirty (30) days following the board's decision on said variance.

5 (9) A license under this chapter shall be granted to a child day care program without the
6 necessity for a separate fire, building, or radon inspection, when said child day care program is
7 conducted at a Rhode Island elementary or secondary school which has already been found in
8 compliance with said inspections, provided that an applicant complies with all other provisions of
9 DHS regulations, or has been granted appropriate variances by the department.

10 **42-12.5-6. Violations, suspensions and revocations of license.**

11 (a) When a licensee violates the terms of the license, the provisions of this chapter, or any
12 regulation thereunder, the department may pursue the administrative remedies herein provided, in
13 addition to other civil or criminal remedies according to the general laws.

14 (b) After notice and hearing, as provided by the Administrative Procedures Act, chapter
15 35 of title 42, the administrator may revoke the license, or suspend the license for a period not
16 exceeding six (6) months.

17 (c) During a suspension, the facility or program shall cease operation.

18 (d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
19 suspension, submit an acceptable plan of corrective action to the administrator. The plan shall
20 outline the steps and timetables for immediate correction of the areas of noncompliance and is
21 subject to the approval of the administrator.

22 (e) At the end of the suspension, the administrator may reinstate the license for the term
23 of the original license, revoke the license, issue a new license, or deny a reapplication.

24 (f) Upon revocation, the licensed program or facility shall cease operation. The licensee
25 whose license has been revoked may not apply for a similar license within a three (3) year period
26 from the date of revocation.

27 **42-12.5-7. Penalties for violations.**

28 (a) Any person who violates any of the provisions of this chapter, or any regulations
29 issued pursuant to this chapter, or who shall intentionally make any false statement or reports to
30 the director with reference to the matters contained herein, shall, upon conviction for the first
31 offense, be imprisoned for a term not exceeding six (6) months or be fined not exceeding five
32 hundred dollars (\$500), or both, and for a second or subsequent offense, shall be imprisoned for a
33 term not exceeding one year or be fined not exceeding one thousand dollars (\$1000), or both the
34 fine and imprisonment.

1 (b) Anyone who maintains or conducts a program or facility without first having obtained
2 a license pursuant to this chapter, or who maintains or conducts a program or facility after a
3 license has been revoked or suspended, or who shall refuse to permit a reasonable inspection and
4 examination of a program or facility, shall be guilty of a misdemeanor and, upon conviction, shall
5 be fined not more than five hundred dollars (\$500) for each week that the program or facility
6 shall have been maintained without a license or for each refusal to permit inspection and
7 examination by the director.

8 (c) Any individual, firm, corporation, or other entity who maintains or conducts a family
9 day care home without first having obtained a registration certificate for the home pursuant to this
10 chapter, shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than
11 twenty-five dollars (\$25.00) nor more than one hundred dollars (\$100) for each week that the
12 home shall have been maintained without a valid registration certificate.

13 (d) The department shall refer any violations to the attorney general's office for
14 prosecution.

15 **42-12.5-8. Open door policy.**

16 There shall be an open door policy permitting any custodial parent or legal guardian to
17 have access to a day care facility for any program when their child is in attendance.

18 SECTION 22. The title of Chapter 42-66 of the General Laws entitled "Elderly Affairs
19 Department" is hereby amended to read as follows:

20 CHAPTER 42-66

21 ELDERLY AFFAIRS ~~DEPARTMENT~~ OFFICE

22 SECTION 23. Sections 42-66-2, 42-66-3, 42-66-4, 42-66-5, 42-66-7 and 42-66-8 of the
23 General Laws in Chapter 42-66 entitled "Elderly Affairs ~~Department~~ Office" are hereby amended
24 to read as follows:

25 **42-66-2. Establishment of ~~department~~ Office-- Director.**

26 There is established within the executive branch of state government an department office
27 of elderly affairs. The ~~head~~ director of the ~~department office of elder affairs~~ shall be ~~the director~~
28 ~~of elderly affairs, who shall be a person qualified by training and experience to perform the duties~~
29 ~~of the office.~~ appointed by and report directly to the governor, but the office shall reside within
30 the executive office of health and human services for administrative purposes. ~~The director shall~~
31 ~~be in the unclassified service, appointed by the governor with the advice and consent of the~~
32 ~~senate, and shall serve at the pleasure of the governor and until the appointment and qualification~~
33 ~~of the director's successor. The director shall receive a salary as provided by law.~~

34 **42-66-3. Transfer of functions from the department of community affairs.**

1 There are transferred to the director of the ~~department~~ office of elder~~ly~~ affairs:

2 (1) Those duties with respect to elderly citizens as enacted by former §§ 42-44-9 and 42-
3 44-10;

4 (2) So much of other functions or parts of functions of the director of the department of
5 community affairs; provided, however, that those duties with respect to housing facilities,
6 projects, and programs for the elderly shall be within the jurisdiction of the governor's office of
7 intergovernmental relations; and

8 (3) Whenever in the general laws or in any public law the words "administration of
9 division of aging," "division on aging" and "director and/or department of community affairs"
10 shall appear in relation to elder~~ly~~ affairs, the reference shall be deemed to mean and include the
11 director and the ~~department~~ office of elder~~ly~~ affairs, as the case may be.

12 **42-66-4. Duties of the ~~division~~ office.**

13 (a) The ~~division~~ office shall be the principal agency of the state to mobilize the human,
14 physical, and financial resources available to plan, develop, and implement innovative programs
15 to ensure the dignity and independence of elderly persons, including the planning, development,
16 and implementation of a home and long-term-care program for the elderly in the communities of
17 the state.

18 (b)(1) The ~~division~~ office shall serve as an advocate for the needs of the adult with a
19 disability as these needs and services overlap the needs and services of elderly persons.

20 (2) The ~~division~~ office shall serve as the state's central agency for the administration and
21 coordination of a long-term-care entry system, using community-based access points, that will
22 provide the following services related to long-term care: information and referral; initial
23 screening for service and benefits eligibility; and a uniform assessment program for state-
24 supported long-term care.

25 (3) The ~~division~~ office shall investigate reports of elder abuse, neglect, exploitation, or
26 self-neglect and shall provide and/or coordinate protective services.

27 (c) To accomplish these objectives, the director is authorized:

28 (1) To provide assistance to communities in solving local problems with regard to elderly
29 persons including, but not limited to, problems in identifying and coordinating local resources to
30 serve the needs of elderly persons;

31 (2) To facilitate communications and the free flow of information between communities
32 and the offices, agencies, and employees of the state;

33 (3) To encourage and assist communities, agencies, and state departments to plan,
34 develop, and implement home- and long-term care programs;

- 1 (4) To provide and act as a clearinghouse for information, data, and other materials
2 relative to elderly persons;
- 3 (5) To initiate and carry out studies and analyses that will aid in solving local, regional,
4 and statewide problems concerning elderly persons;
- 5 (6) To coordinate those programs of other state agencies designed to assist in the solution
6 of local, regional, and statewide problems concerning elderly persons;
- 7 (7) To advise and inform the governor on the affairs and problems of elderly persons in
8 the state;
- 9 (8) To exercise the powers and discharge the duties assigned to the director in the fields
10 of health care, nutrition, homemaker services, geriatric day care, economic opportunity, local and
11 regional planning, transportation, and education and pre-retirement programs;
- 12 (9) To further the cooperation of local, state, federal, and private agencies and institutions
13 providing for services or having responsibility for elderly persons;
- 14 (10) To represent and act on behalf of the state in connection with federal grant programs
15 applicable to programs for elderly persons in the functional areas described in this chapter;
- 16 (11) To seek, accept, and otherwise take advantage of all federal aid available to the
17 ~~division~~ office, and to assist other agencies of the state, local agencies, and community groups in
18 taking advantage of all federal grants and subventions available for elderly persons and to accept
19 other sources of funds with the approval of the director of administration that shall be deposited
20 as general revenues;
- 21 (12) To render advice and assistance to communities and other groups in the preparation
22 and submission of grant applications to state and federal agencies relative to programs for elderly
23 persons;
- 24 (13) To review and coordinate those activities of agencies of the state and of any political
25 subdivision of the state at the request of the subdivision, that affect the full and fair utilization of
26 community resources for programs for elderly persons, and initiate programs that will help ensure
27 such utilization;
- 28 (14) To encourage the formation of councils on aging and to assist local communities in
29 the development of the councils;
- 30 (15) To promote and coordinate day-care facilities for the frail elderly who are in need of
31 supportive care and supervision during the daytime;
- 32 (16) To provide and coordinate the delivery of in-home services to the elderly, as defined
33 under the rules and regulations adopted by the ~~division~~ office of elder~~ly~~ affairs;
- 34 (17) To advise and inform the public of the risks of accidental hypothermia;

1 (18) To establish a clearinghouse for information and education of the elderly citizens of
2 the state, including, but not limited to, and subject to available funding, a web-based caregiver
3 support information center;

4 (19) To establish and operate, in collaboration with community and aging service
5 agencies, a statewide family-caregiver resource network to provide and coordinate family-
6 caregiver training and support services to include counseling and elder caregiver respite services,
7 which shall be subject to available funding, and include home health/homemaker care, adult day
8 services, assisted living, and nursing facility care;

9 (20) To supervise the citizens' commission for the safety and care of the elderly created
10 pursuant to the provisions of chapter 1.4 of title 12.

11 (d) In order to assist in the discharge of the duties of the ~~division~~ office, the director may
12 request from any agency of the state information pertinent to the affairs and problems of elderly
13 persons.

14 **42-66-5. Divisions of ~~department~~ office.**

15 There shall be within the ~~department~~ office of elderly affairs a division of program
16 planning, development and operations and a division of community services.

17 **42-66-7. Advisory commission on aging.**

18 (a) Within the ~~department~~ office of elderly affairs there shall be an advisory commission
19 on aging consisting of twenty-five (25) members, four (4) of whom shall be from the general
20 assembly as hereinafter provided, and twenty-one (21) of whom shall be appointed by the
21 governor, thirteen (13) of whom shall be elderly consumers representative of that segment of the
22 population. In the case of members of the commission appointed by the governor, they shall be
23 chosen and shall hold office for three (3) years, except that in the original appointments, seven (7)
24 members shall be designated to serve for one year, seven (7) members shall be designated to
25 serve for two (2) years and seven (7) members shall be designated to serve for three (3) years,
26 respectively, and until their respective successors are appointed and qualified. In the month of
27 February in each year the governor shall appoint successors to the members of the commission
28 whose terms shall expire in such year to hold office until the first day of March in the third year
29 after their appointment and until their respective successors are appointed and qualified.

30 (b) The four (4) members from the general assembly shall be appointed, two (2) from the
31 house of representatives by the speaker, one from each of the two (2) major political parties, and
32 two (2) from the senate by the president of the senate, one each from the two (2) major political
33 parties, each to serve until the thirty-first day of December in the second year of the term to
34 which the member has been elected. Any vacancy, which may occur in the commission, shall be

1 filled in like manner as the original appointment, for the remainder of the unexpired term.

2 (c) The members of the commission at the first meeting shall elect a chairperson and such
3 other officers as they may deem necessary. The commission shall meet at the call of the governor
4 or the chairperson and shall make suggestions to and advise the governor or the director
5 concerning the policies and problems confronting the aged and aging of the state. The members
6 of the commission shall serve without compensation but shall be compensated for their necessary
7 and actual traveling expenses in the performance of their official duties.

8 **42-66-8. Abuse, neglect, exploitation and self-neglect of elderly persons -- Duty to**
9 **report.**

10 Any person who has reasonable cause to believe that any person sixty (60) years of age or
11 older has been abused, neglected, or exploited, or is self-neglecting, shall make an immediate
12 report to the director of the ~~department~~ office of elderly affairs, or his or her designee, or
13 appropriate law enforcement personnel. In cases of abuse, neglect, or exploitation, any person
14 who fails to make the report shall be punished by a fine of not more than one thousand dollars
15 (\$1,000). Nothing in this section shall require an elder who is a victim of abuse, neglect,
16 exploitation or who is self-neglecting, to make a report regarding such abuse, neglect,
17 exploitation, or self-neglect to the director or his or her designee or appropriate law enforcement
18 personnel.

19 SECTION 24. Section 42-72-5 of the General Laws in Chapter 42-72 entitled
20 "Department of Children, Youth and Families" is hereby amended to read as follows:

21 **42-72-5. Powers and scope of activities.**

22 (a) The department is the principal agency of the state to mobilize the human, physical,
23 and financial resources available to plan, develop, and evaluate a comprehensive and integrated
24 statewide program of services designed to ensure the opportunity for children to reach their full
25 potential. The services include prevention, early intervention, outreach, placement, care and
26 treatment, and after-care programs; provided, however, that the department notifies the state
27 police and cooperates with local police departments when it receives and/or investigates a
28 complaint of sexual assault on a minor and concludes that probable cause exists to support the
29 allegations(s). The department also serves as an advocate for the needs of children.

30 (b) To accomplish the purposes and duties, as set forth in this chapter, the director is
31 authorized and empowered:

32 (1) To establish those administrative and operational divisions of the department that the
33 director determines is in the best interests of fulfilling the purposes and duties of this chapter;

34 (2) To assign different tasks to staff members that the director determines best suit the

1 purposes of this chapter;

2 (3) To establish plans and facilities for emergency treatment, relocation, and physical
3 custody of abused or neglected children that may include, but are not limited to,
4 homemaker/educator child-case aides, specialized foster-family programs, day-care facilities,
5 crisis teams, emergency parents, group homes for teenage parents, family centers within existing
6 community agencies, and counseling services;

7 (4) To establish, monitor, and evaluate protective services for children including, but not
8 limited to, purchase of services from private agencies and establishment of a policy and
9 procedure manual to standardize protective services;

10 (5) To plan and initiate primary- and secondary-treatment programs for abused and
11 neglected children;

12 (6) To evaluate the services of the department and to conduct periodic, comprehensive-
13 needs assessment;

14 (7) To license, approve, monitor, and evaluate all residential and non-residential ~~child~~
15 ~~care institutions~~, group homes, foster homes, and programs;

16 (8) To recruit and coordinate community resources, public and private;

17 (9) To promulgate rules and regulations concerning the confidentiality, disclosure, and
18 expungement of case records pertaining to matters under the jurisdiction of the department;

19 (10) To establish a minimum mandatory level of twenty (20) hours of training per year
20 and provide ongoing staff development for all staff; provided, however, all social workers hired
21 after June 15, 1991, within the department shall have a minimum of a bachelor's degree in social
22 work or a closely related field, and must be appointed from a valid, civil-service list;

23 (11) To establish procedures for reporting suspected child abuse and neglect pursuant to
24 chapter 11 of title 40;

25 (12) To promulgate all rules and regulations necessary for the execution of departmental
26 powers pursuant to the Administrative Procedures Act, chapter 35 of title 42;

27 (13) To provide and act as a clearinghouse for information, data, and other materials
28 relative to children;

29 (14) To initiate and carry out studies and analysis that will aid in solving local, regional,
30 and statewide problems concerning children;

31 (15) To represent and act on behalf of the state in connection with federal-grant programs
32 applicable to programs for children in the functional areas described in this chapter;

33 (16) To seek, accept, and otherwise take advantage of all federal aid available to the
34 department, and to assist other agencies of the state, local agencies, and community groups in

1 taking advantage of all federal grants and subventions available for children;

2 (17) To review and coordinate those activities of agencies of the state, and of any
3 political subdivision of the state, that affect the full and fair utilization of community resources
4 for programs for children, and initiate programs that will help ensure utilization;

5 (18) To administer the pilot, juvenile-restitution program, including the overseeing and
6 coordinating of all local, community-based restitution programs, and the establishment of
7 procedures for the processing of payments to children performing community service;

8 (19) To adopt rules and regulations that:

9 (i) For the twelve-month (12) period beginning on October 1, 1983, and for each
10 subsequent twelve-month (12) period, establish specific goals as to the maximum number of
11 children who will remain in foster care for a period in excess of two (2) years; and

12 (ii) Are reasonably necessary to implement the child-welfare services and foster-care
13 programs;

14 (20) May establish and conduct seminars for the purpose of educating children regarding
15 sexual abuse;

16 (21) To establish fee schedules by regulations for the processing of requests from
17 adoption placement agencies for adoption studies, adoption study updates, and supervision related
18 to interstate and international adoptions. The fee shall equal the actual cost of the service(s)
19 rendered, but in no event shall the fee exceed two thousand dollars (\$2,000);

20 (22) To be responsible for the education of all children who are placed, assigned, or
21 otherwise accommodated for residence by the department in a state-operated or -supported
22 community residence licensed by a Rhode Island state agency. In fulfilling this responsibility, the
23 department is authorized to enroll and pay for the education of students in the public schools or,
24 when necessary and appropriate, to itself provide education in accordance with the regulations of
25 the board of regents for elementary and secondary education either directly or through contract;

26 (23) To develop multidisciplinary service plans, in conjunction with the department of
27 health, at hospitals prior to the discharge of any drug-exposed babies. The plan requires the
28 development of a plan using all health-care professionals;

29 (24) To be responsible for the delivery of appropriate mental health services to seriously
30 emotionally disturbed children and children with functional developmental disabilities.
31 Appropriate mental health services may include hospitalization, placement in a residential
32 treatment facility, or treatment in a community-based setting. The department is charged with the
33 responsibility for developing the public policy and programs related to the needs of seriously
34 emotionally disturbed children and children with functional developmental disabilities;

1 In fulfilling its responsibilities the department shall:

2 (i) Plan a diversified and comprehensive network of programs and services to meet the
3 needs of seriously emotionally disturbed children and children with functional developmental
4 disabilities;

5 (ii) Provide the overall management and supervision of the state program for seriously
6 emotionally disturbed children and children with functional developmental disabilities;

7 (iii) Promote the development of programs for preventing and controlling emotional or
8 behavioral disorders in children;

9 (iv) Coordinate the efforts of several state departments and agencies to meet the needs of
10 seriously emotionally disturbed children and children with functional developmental disabilities
11 and to work with private agencies serving those children;

12 (v) Promote the development of new resources for program implementation in providing
13 services to seriously emotionally disturbed children and children with functional developmental
14 disabilities.

15 The department shall adopt rules and regulations that are reasonably necessary to
16 implement a program of mental health services for seriously emotionally disturbed children.

17 Each community, as defined in chapter 7 of title 16, shall contribute to the department, at
18 least in accordance with rules and regulations to be adopted by the department, at least its average
19 per-pupil cost for special education for the year in which placement commences, as its share of
20 the cost of educational services furnished to a seriously emotionally disturbed child pursuant to
21 this section in a residential treatment program that includes the delivery of educational services.

22 "Seriously emotionally disturbed child" means any person under the age of eighteen (18)
23 years, or any person under the age of twenty-one (21) years, who began to receive services from
24 the department prior to attaining eighteen (18) years of age and has continuously received those
25 services thereafter; who has been diagnosed as having an emotional, behavioral, or mental
26 disorder under the current edition of the Diagnostic and Statistical Manual and that disability has
27 been ongoing for one year or more or has the potential of being ongoing for one year or more;
28 and the child is in need of multi-agency intervention; and the child is in an out-of-home
29 placement or is at risk of placement because of the disability.

30 A child with a "functional developmental disability" means any person under the age of
31 eighteen (18) years or any person under the age of twenty-one (21) years who began to receive
32 services from the department prior to attaining eighteen (18) years of age and has continuously
33 received those services thereafter.

34 The term "functional developmental disability" includes autism spectrum disorders and

1 means a severe, chronic disability of a person that:

2 (A) Is attributable to a mental or physical impairment or combination of mental physical
3 impairments;

4 (B) Is manifested before the person attains age eighteen (18);

5 (C) Is likely to continue indefinitely;

6 (D) Results in age-appropriate, substantial, functional limitations in three (3) or more of
7 the following areas of major life activity:

8 (I) Self-care;

9 (II) Receptive and expressive language;

10 (III) Learning;

11 (IV) Mobility;

12 (V) Self direction;

13 (VI) Capacity for independent living; and

14 (VII) Economic self-sufficiency; and

15 (E) Reflects the person's need for a combination and sequence of special,
16 interdisciplinary, or generic care, treatment, or other services that are of life-long or extended
17 duration and are individually planned and coordinated.

18 Funding for these clients shall include funds that are transferred to the department of
19 human services as part of the managed health-care-program transfer. However, the expenditures
20 relating to these clients shall not be part of the department of human services' caseload estimated
21 for the semi-annual, caseload-estimating conference. The expenditures shall be accounted for
22 separately;

23 (25) To provide access to services to any person under the age of eighteen (18) years, or
24 any person under the age of twenty-one (21) years who began to receive child-welfare services
25 from the department prior to attaining eighteen (18) years of age, has continuously received those
26 services thereafter, and elects to continue to receive such services after attaining the age of
27 eighteen (18) years. The general assembly has included funding in the FY 2008 DCYF budget in
28 the amount of \$10.5 million from all sources of funds and \$6.0 million from general revenues to
29 provide a managed system to care for children serviced between 18 to 21 years of age. The
30 department shall manage this caseload to this level of funding;

31 (26) To initiate transition planning in cooperation with the department of behavioral
32 healthcare, developmental disabilities and hospitals and local school departments for any child
33 who receives services through DCYF; is seriously emotionally disturbed or developmentally
34 delayed pursuant to paragraph (b)(24)(v); and whose care may or shall be administered by the

1 department of behavioral healthcare, developmental disabilities and hospitals after the age of
2 twenty-one (21) years; the transition planning shall commence at least twelve (12) months prior
3 to the person's twenty-first birthday and shall result in a collaborative plan submitted to the family
4 court by both the department of behavioral healthcare, developmental disabilities and hospitals
5 and the department of children, youth and families and shall require the approval of the court
6 prior to the dismissal of the abuse, neglect, dependency, or miscellaneous petition before the
7 child's twenty-first birthday;

8 (27) To develop and maintain, in collaboration with other state and private agencies, a
9 comprehensive continuum of care in this state for children in the care and custody of the
10 department or at risk of being in state care. This continuum of care should be family centered and
11 community based with the focus of maintaining children safely within their families or, when a
12 child cannot live at home, within as close proximity to home as possible based on the needs of the
13 child and resource availability. The continuum should include community-based prevention,
14 family support, and crisis-intervention services, as well as a full array of foster care and
15 residential services, including residential services designed to meet the needs of children who are
16 seriously emotionally disturbed, children who have a functional developmental disability, and
17 youth who have juvenile justice issues. The director shall make reasonable efforts to provide a
18 comprehensive continuum of care for children in the care and custody of DCYF, taking into
19 account the availability of public and private resources and financial appropriations and the
20 director shall submit an annual report to the general assembly as to the status of his or her efforts
21 in accordance with the provisions of § 42-72-4(b)(13);

22 (28) To administer funds under the John H. Chafee Foster Care Independence and
23 Educational and Training Voucher (ETV) Programs of Title IV-E of the Social Security Act [42
24 U.S.C. § 677] and the DCYF higher education opportunity grant program as outlined in chapter
25 72.8 of title 42, in accordance with rules and regulations as promulgated by the director of the
26 department; and

27 (29) To process nationwide, criminal-record checks on prospective foster parents and any
28 household member age 18 or older, prospective adoptive parents and any household member age
29 18 and older, operators of child-care facilities, persons seeking to act as volunteer court-appointed
30 special advocates, persons seeking employment in a child-care facility or at the training school
31 for youth or on behalf of any person seeking employment at DCYF, who are required to submit to
32 nationwide, criminal-background checks as a matter of law.

33 (c) In order to assist in the discharge of his or her duties, the director may request from
34 any agency of the state information pertinent to the affairs and problems of children.

SECTION 25. The title of Chapter 42-72.1 of the General Laws entitled "Licensing and Monitoring of Childcare Providers and Child-Placing Agencies" is hereby amended to read as follows:

~~CHAPTER 42-72.1~~

~~LICENSING AND MONITORING OF CHILDCARE PROVIDERS AND CHILD-PLACING AGENCIES~~

CHAPTER 42-72.1

LICENSING AND MONITORING OF CHILD PLACING AGENCIES, CHILD CARING AGENCIES, FOSTER AND ADOPTIVE HOMES, AND CHILDREN'S BEHAVIORAL HEALTH PROGRAMS

SECTION 26. Sections 42-72.1-1, 42-72.1-2, 42-72.1-3, 42-72.1-4, 42-72.1-5, 42-72.1-6 and 42-72.1-7 of the General Laws in Chapter 42-72.1 entitled "Licensing and Monitoring of Childcare Providers and Child-Placing Agencies" are hereby amended to read as follows:

42-72.1-1. Statement of purpose.

(a) The director of the department of children, youth, and families, pursuant to § 42-72-5(b)(7) and § 42-72-5(b)(24), shall establish within the department a unit to license and monitor ~~child-care providers and~~ child-placing agencies, child caring agencies, foster and adoptive homes, and children's behavioral health programs to protect the health, safety and well being of children temporarily separated from or being cared for away from their natural families.

(b) Services for children requiring licensure under this chapter shall include all ~~child-care providers and~~ child placing agencies, child caring agencies, foster and adoptive homes, and children's behavioral health programs which offer services within the state, except as defined in § 42-72.1-5.

42-72.1-2. Definitions.

As used in this chapter:

(1) "Administrator of licensing" means the director of the licensing unit (or his/her designee) that carries out the provisions of this chapter, hereafter referred to as the "administrator".

(2) "Applicant" means a child-placing agency, child caring agencies, foster and adoptive homes, and children's behavioral health programs ~~or childcare provider~~ that applies for a license to operate.

(3) "Child" means any person less than eighteen (18) years of age; provided, that a child over eighteen (18) years of age who is nevertheless subject to continuing jurisdiction of the family court, pursuant to chapter 1 of title 14, or defined as emotionally disturbed according to

chapter 7 of title 40.1, shall be considered a child for the purposes of this chapter.

~~(4) "Childcare provider" means a person or agency, which offers residential or nonresidential care and/or treatment for a child outside of his/her natural home.~~

~~(5) "Child day care or childcare" means daily care and/or supervision offered commercially to the public for any part of a twenty four (24) hour day to children away from their homes.~~

~~(6) "Child day care center or childcare center" means any person, firm, corporation, association, or agency who, on a regular or irregular basis, receives any child under the age of sixteen (16) years, for the purpose of care and/or supervision, not in a home or residence, apart from the child's parent or guardian for any part of a twenty four (24) hour day irrespective of compensation or reward. It shall include childcare programs that are offered to employees at the worksite. It does not include nursery schools or other programs of educational services subject to approval by the commissioner of elementary and secondary education.~~

(4) "Child Caring Agency" means any facility that provides residential treatment, residential group home care or semi-independent living, or residential assessment and stabilization.

~~(7)~~(5) "Child-placing agency" means any private or public agency, which receives children for placement into independent living arrangements, supervised apartment living, residential group care facilities, family foster homes, or adoptive homes.

(6) "Children's Behavioral Health Program" means any private or public agency which provides behavioral health services to children.

~~(8)~~(7) "Department" means the department of children, youth and families (DCYF).

~~(9)~~(8) "Director" means the director of the department of children, youth and families, or the director's designee.

(9) "Foster and Adoptive Homes" means one or more adults who are licensed to provide foster or adoptive caregiving in a family-based home setting.

~~(10) "Family day care home" means any home other than the child's home in which child day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more children who are not relatives of the care giver.~~

~~(11) "Group family day care home" means a residence occupied by an individual of at least twenty one (21) years of age who provides care for not less than nine (9) and not more than twelve (12) children, with the assistance of one or more approved adults, for any part of a twenty four (24) hour day. The maximum of twelve (12) children shall include children under six (6) years of age who are living in the home, school age children under the age of twelve (12) years~~

~~whether they are living in the home or are received for care, and children related to the provider who are received for care. These programs shall be subject to yearly licensing as addressed in this chapter and shall comply with all applicable state and local fire, health, and zoning regulations.~~

(12)(10) "Licensee" means any person, firm, corporation, association, or agency, which holds a valid license under this chapter.

(13)(11) "Regulation" means any requirement for licensure, promulgated pursuant to this chapter having the force of law.

(14)(12) "Related" means any of the following relationships, by marriage, blood or adoption, even following the death or divorce of a natural parent: parent, grandparent, brother, sister, aunt, uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto, a defendant who relies for a defense upon the relationship of any child to him or herself, the defendant shall have the burden of proof as to the relationship.

42-72.1-3. Powers and scope of activities.

(a) The department shall issue, deny, and revoke licenses for, and monitor the operation of, facilities and programs by child placing agencies, child caring agencies, foster and adoptive homes, and children's behavioral health programs ~~and child care providers~~, as defined in § 42-72.1-2.

(b) The department shall adopt, amend, and rescind regulations in accordance with this chapter and implement its provisions. The regulations shall be promulgated and become effective in accordance with the provisions of the Administrative Procedures Act, chapter 35 of this title.

(c) The department through its licensing unit shall administer and manage the regulations pertaining to the licensing and monitoring of those agencies, and shall exercise all statutory and administrative powers necessary to carry out its functions.

(d) The administrator shall investigate complaints of noncompliance, and shall take licensing action as required.

(e) Regulations formulated pursuant to the foregoing authority shall include, but need not be limited to, the following:

(1) Financial, administrative and organizational ability, and stability of the applicant;

(2) Compliance with specific fire and safety codes and health regulations;

(3) Character, health suitability, qualifications of child-placing agencies, child caring agencies, foster and adoptive homes, and children's behavioral health programs ~~child care providers~~;

(4) Staff/child ratios and workload assignments of staff providing care or supervision to children;

(5) Type and content of records or documents that must be maintained to collect and retain information for the planning and caring for children;

(6) Procedures and practices regarding ~~basic childcare and~~ placing services to ensure protection to the child regarding the manner and appropriateness of placement;

(7) Service to families of children in care;

(8) Program activities, including components related to physical growth, social, emotional, educational, and recreational activities, social services and habilitative or rehabilitative treatment; [and](#)

(9) Investigation of previous employment, criminal record check and department records check; ~~and~~

~~(10) Immunization and testing requirements for communicable diseases, including, but not limited to, tuberculosis, of childcare providers and children at any child day care center or family day care home as is specified in regulations promulgated by the director of the department of health. Notwithstanding the foregoing, all licensing and monitoring authority shall remain with the department of children, youth and families.~~

(f) The administrator may:

(1) Prescribe any forms for reports, statements, notices, and other documents deemed necessary;

(2) Prepare and publish manuals and guides explaining this chapter and the regulations to facilitate compliance with and enforcement of the regulations;

(3) Prepare reports and studies to advance the purpose of this chapter;

(4) Provide consultation and technical assistance, as requested, to assist licensees in maintaining compliance; and

(5) Refer to the advisory council for children and families for advice and consultation on licensing matters.

~~(g) The department may promulgate rules and regulations for the establishment of child day care centers located on the second floor.~~

~~(h)~~[\(g\)](#) When the department is otherwise unsuccessful in remedying noncompliance with the provisions of this chapter and the regulations promulgated under it, it may petition the family court for an order enjoining the noncompliance or for any order that equity and justice may require.

~~(i) The department shall collaborate with the departments of human services, elementary and secondary education, and health to provide monitoring, mentoring, training, technical assistance, and other services which are necessary and appropriate to improving the quality of~~

~~childcare offered by childcare providers who are certified, licensed, or approved by the department or the department of elementary and secondary education or who are seeking certification, licensure, or approval pursuant to this chapter or § 16-48-2, including non-English speaking providers.~~

(j)(h) The department shall adopt, amend, and rescind regulations in the same manner as set forth above in order to permit the placement of a pregnant minor in a group residential facility which provides a shelter for pregnant adults as its sole purpose.

42-72.1-4. License required.

(a) No person shall provide continuing full-time care for a child apart from the child's parents, ~~or receive or place children in child care services, including day care arrangements,~~ without a license issued pursuant to this chapter. This requirement does not apply to a person related by blood, marriage, guardianship or adoption to the child. Licensing requirements for child day care services are governed by §42-12.5-4 et seq. ~~, unless that arrangement is for the purposes of day care.~~

(b) The licensing requirement does not apply to shelter operations for parents with children, boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and centers for developmentally disabled children.

(c) No person, firm, corporation, association, or agency, other than a parent shall place, offer to place, or assist in the placement of a child in Rhode Island, for the purpose of adoption, unless the person, firm, corporation, or agency shall have been licensed for those purposes by the department or is a governmental child-placing agency, and that license shall not have been rescinded at the time of placement of a child for the purpose of adoption. The above does not apply when a person, firm, corporation, association, or agency places, offers to place, or assists in the placement of a child in Rhode Island, for the purpose of adoption through a child-placement agency duly licensed for child-placement in the state or through the department of children, youth, and families, nor when the child is placed with a father, sister, brother, aunt, uncle, grandparent, or stepparent of the child.

(d) No parent shall assign or otherwise transfer to another not related to him or her by blood or marriage, his or her rights or duties with respect to the permanent care and custody of his or her child under eighteen (18) years of age unless duly authorized so to do by an order or decree of court.

(e) No person shall bring or send into the state any child for the purpose of placing him or her out, or procuring his or her adoption, or placing him or her in a foster home without first obtaining the written consent of the director, and that person shall conform to the rules of the

1 director and comply with the provisions of the Interstate Compact on the Placement of Children,
2 chapter 15 of title 40.

3 ~~(f) No person, firm, corporation, association, or agency shall operate a family day care~~
4 ~~home without a registration certificate issued by the department.~~

5 (fg) No state, county, city, or political subdivision shall operate a child placing ~~or child~~
6 ~~care~~ agency, child caring agency, foster and adoptive home, or children's behavioral health
7 program or facility without a license issued pursuant to this chapter.

8 (gh) No person shall be exempt from a required license by reason of public or private,
9 sectarian, non-sectarian, court-operated child placement program ~~child care program,~~ child caring
10 agency, foster and adoptive home, or children's behavioral health program for profit or non-profit
11 status, or by any other reason of funding, sponsorship, or affiliation.

12 **42-72.1-5. General licensing provisions.**

13 The following general licensing provisions shall apply:

14 (1) A license issued under this chapter is not transferable and applies only to the licensee
15 and the location stated in the application and remains the property of the department. A license
16 shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
17 continuing compliance with the regulations, ~~except that a certificate issued to a family day care~~
18 ~~home,~~ a license issued to a foster parent, and/or a license issued to a program for mental health
19 services for "seriously emotionally disturbed children" as defined in § 42-72-5(b)(24) shall be
20 valid for two (2) years from the date of issue.

21 (2) Every license application issued pursuant to § 42-72.1-4 shall be accompanied by a
22 nonrefundable application fee paid to the State of Rhode Island as follows:

23 (a) Adoption and foster care child placing agency license- one thousand dollars (\$1000);

24 ~~(b) Child day care center license five hundred dollars (\$500);~~

25 ~~(c) Group family day care home license two hundred and fifty dollars (\$250);~~

26 ~~(d) Family day care home license one hundred dollars (\$100).~~

27 (3) All fees collected by the State pursuant to paragraph (2) of this section shall be
28 deposited by the general treasurer as general revenues.

29 (4) A licensee shall comply with applicable state fire and health safety standards.

30 (5) The department may grant a provisional license to an applicant, excluding any foster
31 parent applicant, who is not able to demonstrate compliance with all of the regulations because
32 the program or residence is not in full operation; however, the applicant must meet all regulations
33 that can be met in the opinion of the administrator before the program is fully operational. The
34 provisional license shall be granted for a limited period not to exceed six (6) months and shall be

1 subject to review every three (3) months.

2 (6) The department may grant a probationary license to a licensee who is temporarily
3 unable to comply with a rule or rules when the noncompliance does not present an immediate
4 threat to the health and well-being of the children, and when the licensee has obtained a plan
5 approved by the administrator to correct the areas of noncompliance within the probationary
6 period. A probationary license shall be issued for up to twelve (12) months; it may be extended
7 for an additional six (6) months at the discretion of the administrator. A probationary license that
8 states the conditions of probation may be issued by the administrator at any time for due cause.
9 Any prior existing license is invalidated when a probationary license is issued. When the
10 probationary license expires, the administrator may reinstate the original license to the end of its
11 term, issue a new license or revoke the license.

12 (7) The administrator will establish criteria and procedure for granting variances as part
13 of the regulations.

14 (8) The above exceptions (probationary and provisional licensing and variances) do not
15 apply to and shall not be deemed to constitute any variance from state fire and health safety
16 standards. However, if a request for a variance of fire inspection deficiencies has been submitted
17 to the fire safety code board of appeal and review, DCYF may grant a provisional license to
18 terminate no later than thirty (30) days following the board's decision on said variance.

19 ~~(9) A license under this chapter shall be granted to a school age child day care program~~
20 ~~without the necessity for a separate fire, building, or radon inspection, when said child day care~~
21 ~~program is conducted at a Rhode Island elementary or secondary school which has already been~~
22 ~~found in compliance with said inspections, provided that an applicant complies with all other~~
23 ~~provisions of DCYF regulations, or has been granted appropriate variances by the department.~~

24 **42-72.1-6. Violations, suspensions and revocations of license.**

25 (a) When a licensee violates the terms of the license, the provisions of this chapter, or any
26 regulation thereunder, the department may pursue the administrative remedies herein provided, in
27 addition to other civil or criminal remedies according to the general laws.

28 (b) After notice and hearing, as provided by the Administrative Procedures Act, chapter
29 35 of this title, the administrator may revoke the license, or suspend the license for a period not
30 exceeding six (6) months.

31 (c) During a suspension, the agency, facility or program shall cease operation.

32 (d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
33 suspension, submit a plan of corrective action to the administrator. The plan shall outline the
34 steps and timetables for immediate correction of the areas of noncompliance and is subject to the

1 approval of the administrator.

2 (e) At the end of the suspension, the administrator may reinstate the license for the term
3 of the original license, revoke the license, issue a new license, or deny a reapplication.

4 (f) Upon revocation, the licensed agency, program or facility shall cease operation. The
5 licensee whose license has been revoked may not apply for a similar license within a three (3)
6 year period from the date of revocation.

7 ~~(g) Except in those instances wherein there is a determination that there exists a danger to~~
8 ~~the public health, safety, or welfare or there is a determination that the childcare provider has~~
9 ~~committed a serious breach of State law, orders, or regulation, the director shall utilize~~
10 ~~progressive penalties for noncompliance of any rule, regulation or order relating to childcare~~
11 ~~providers. Progressive penalties could include written notice of noncompliance, education and~~
12 ~~training, suspending enrollment to the program, assessing fines, suspension of license, and~~
13 ~~revocation of license.~~

14 **42-72.1-7. Penalties for violations.**

15 (a) Any person who violates any of the provisions of this chapter, or any regulations
16 issued pursuant to this chapter, or who shall intentionally make any false statement or reports to
17 the director with reference to the matters contained herein, shall, upon conviction for the first
18 offense, be imprisoned for a term not exceeding six (6) months or be fined not exceeding five
19 hundred dollars (\$500), or both, and for a second or subsequent offense, shall be imprisoned for a
20 term not exceeding one year or be fined not exceeding one thousand dollars (\$1000), or both the
21 fine and imprisonment.

22 (b) Anyone who maintains or conducts a program, agency, or facility without first having
23 obtained a license, or who maintains or conducts a program, agency, or facility after a license has
24 been revoked or suspended, or who shall refuse to permit a reasonable inspection and
25 examination of a program, agency, or facility, shall be guilty of a misdemeanor and, upon
26 conviction, shall be fined not more than five hundred dollars (\$500) for each week that the
27 program, agency, or facility shall have been maintained without a license or for each refusal to
28 permit inspection and examination by the director.

29 ~~(c) Any individual, firm, corporation, or other entity who maintains or conducts a family~~
30 ~~day care home without first having obtained a registration certificate for the home, shall be guilty~~
31 ~~of a misdemeanor and, upon conviction, shall be fined not less than twenty-five dollars (\$25.00)~~
32 ~~nor more than one hundred dollars (\$100) for each week that the home shall have been~~
33 ~~maintained without a valid registration certificate.~~

34 (c) The department shall refer any violations to the attorney general's office for

1 prosecution.

2 SECTION 27. Section 42-72.1-8 of the General Laws in Chapter 42-72.1 entitled
3 "[Licensing and Monitoring of Childcare Providers and Child-Placing Agencies](#)" is hereby
4 repealed.

5 ~~**42-72.1-8. Open-door policy.**~~

6 ~~There shall be an open-door policy permitting any custodial parent or legal guardian to~~
7 ~~have access to a day care facility for any program when their child is in attendance.~~

8 SECTION 28. Section 42-72.11-1 of the General Laws in Chapter 42-72.11 entitled
9 "Administrative Penalties for Childcare Licensing Violations" is hereby amended to read as
10 follows:

11 **42-72.11-1. Definitions.**

12 As used in this chapter, the following words, unless the context clearly requires
13 otherwise, shall have the following meanings:

14 (1) "Administrative penalty" means a monetary penalty not to exceed the civil penalty
15 specified by statute or, where not specified by statute, an amount not to exceed five hundred
16 dollars (\$500).

17 (2) "Director" means the director of the department of ~~children, youth and families~~
18 [human services](#) or his or her duly authorized agent.

19 (3) "Person" means any public or private corporation, individual, partnership, association,
20 or other entity that is licensed as a child [day](#) care center, family child [day](#) care home, group
21 family child [day](#) care home or any officer, employee or agent thereof.

22 (4) "Citation" means a notice of an assessment of an administrative penalty issued by the
23 director or his or her duly authorized agent.

24 ~~**(5) "Department" means the department of human services.**~~

25 SECTION 29. Chapter 42-154 of the General Laws entitled "Division of Elderly Affairs"
26 is hereby repealed in its entirety.

27 ~~**42-154-1. Establishment of division -- Director.**~~

28 ~~There is hereby established within the executive branch of state government and the~~
29 ~~department of human services a division of elderly affairs, effective July 1, 2011. The head of the~~
30 ~~division shall be the director of the division of elderly affairs, who shall be a person qualified~~
31 ~~through and by training and experience to perform the duties of the division. The director shall be~~
32 ~~in the unclassified service.~~

33 ~~**42-154-2. Transfer of powers and duties from the department of elderly affairs.**~~

34 ~~There is hereby transferred to the division of elderly affairs within the department of~~

~~human services those powers and duties formerly administered by the department of elderly affairs as provided for in chapters 42-66 ("Elderly Affairs Department") through 42-66.10 ("Elder Health Insurance Consumer Assistance Program"), inclusive, and any other applicable provisions of the general laws; provided, however, in order that there is no interruption in the functions of elderly affairs and/or human services the transfer may be postponed until such time as determined by the secretary of the office of health and human services that the transfer may best be put into force and effect; provided, further, the governor shall submit to the 2012 Assembly any recommended statutory changes necessary to facilitate the merger.~~

42-154-3. Construction of references.

~~Effective July 1, 2011, all references in the general laws to the department of elderly affairs established pursuant to chapter 42-66 ("Elderly Affairs Department") shall be deemed to mean and refer to the division of elderly affairs within the department of human services as set forth in this chapter.~~

SECTION 30. Section 46-15.1-19.1 of the General Laws in Chapter 46-15.1 entitled "Water Supply Facilities" is hereby amended to read as follows:

46-15.1-19.1. Big River Reservoir -- Administration.

The Rhode Island ~~water resources board, established pursuant to this chapter and chapter 15 of this title,~~ department of administration shall be the only designated agency which will administer those lands acquired for the Big River Reservoir as established under section 23 of chapter 133 of the Public Laws of 1964. The director of the department of environmental management and the director's authorized agents, employees, and designees shall, together with the ~~water resources board~~ department of administration in accordance with the Big River management area land use plan for the lands, protect the natural resources of the Big River Reservoir lands. The lands of the Big River Reservoir are subject to enforcement authority of the department of environmental management, as provided for in chapter 17.1 of title 42, and as provided for in title 20 of the General Laws.

SECTION 31. **Effective Date.** Sections 1 and 2 of this Article will become effective October 1, 2019. All other section in this Article will become effective upon passage.

ARTICLE 5

RELATING TO TAXES, REVENUES AND FEES

SECTION 1. Effective October 1, 2019, section 11-47-39 of the General Laws in Chapter 11-47 entitled "Weapons" is hereby amended to read as follows:

11-47-39. Issuance and conditions of dealer's license.

The duly constituted licensing authorities of any city, town, or political subdivision of

1 this state may grant licenses in form prescribed by the attorney general effective for not more than
2 one year from date of issue permitting the licensee to sell pistols and revolvers at retail within this
3 state, subject to the following conditions in addition to those specified in §§ 11-47-35 and 11-47-
4 36, for breach of any of which the license shall be forfeited and the licensee subject to
5 punishment as provided in this chapter:

6 (1) The business shall be carried on only in the building designated in the license.

7 (2) The license or a copy of it, certified by the issuing authority, shall be displayed on the
8 premises where it can easily be read.

9 (3) No pistol or revolver shall be sold in violation of any provision of this chapter, nor
10 shall a pistol or revolver be sold under any circumstances unless the purchaser is personally
11 known to the seller or shall present clear evidence of his or her identity.

12 (4) The fee for issuing the license shall be five dollars (\$5.00). The fee charged for the
13 issuing of the license shall be applied for the use and benefit of the city or town.

14 (5) The licensee has demonstrated compliance with the division of taxation, department
15 of revenue, as determined by its tax administrator, carried out and defined by promulgated rules
16 and regulations issued by the division of taxation.

17 SECTION 2. Section 19-14-4 of the General Laws in Chapter 19-14 entitled "Licensed
18 Activities" is hereby amended to read as follows:

19 **19-14-4. Annual fee.**

20 (a) Each licensee shall pay an annual license fee as follows:

21 (1) Each small-loan lender license and each branch certificate, the sum of five hundred
22 fifty dollars (\$550);

23 (2) Each loan-broker license and each branch certificate, the sum of five hundred fifty
24 dollars (\$550);

25 (3) Each lender license and each branch certificate, the sum of one thousand one hundred
26 dollars (\$1,100);

27 (4) Each sale of checks license, the sum of three hundred sixty dollars (\$360);

28 (5) Each check cashing license, the sum of three hundred sixty dollars (\$360);

29 (6) Each electronic money transfer license, the sum of three hundred sixty dollars (\$360);

30 (7) Each registration to provide debt-management services, the sum of two hundred
31 dollars (\$200);

32 (8) Each mortgage-loan originator license, the sum of ~~one~~ four hundred dollars (~~\$100~~
33 400); and

34 (9) Each third-party loan-servicer license and each branch certificate, the sum of one

1 thousand one hundred dollars (\$1,100).

2 (b) Any licensee who shall not pay the annual fee by December 31 of each year shall be
3 subject to a daily penalty of twenty-five dollars (\$25) per day, subject to a maximum of seven
4 hundred fifty dollars (\$750). The penalty shall be paid to the director to, and for the use of, the
5 state. The penalty may be waived for good cause by the director, or the director's designee, upon
6 written request.

7 SECTION 3. Section 19-14.9-12 of the General Laws in Chapter 19-14.9 entitled "Rhode
8 Island Fair Debt Collection Practices Act" is hereby amended to read as follows:

9 **19-14.9-12. Registration required.**

10 (1) After July 1, 2008, no person shall engage within this state in the business of a debt
11 collector, or engage in soliciting the right to collect or receive payment for another of an account,
12 bill, or other indebtedness, or advertise for or solicit in print the right to collect or receive
13 payment for another of an account, bill, or other indebtedness, without first registering with the
14 director, or the director's designee.

15 (2) The application for registration shall be in writing; shall contain information as the
16 director may determine; and shall be accompanied by a registration fee of ~~one~~ five hundred
17 dollars (~~\$100~~ 500).

18 (3) The registration shall be for a period of one year. Each registration shall plainly state
19 the name of the registrant and the city or town with the name of the street and number, if any, of
20 the place where the business is to be carried on; provided that the business shall at all times be
21 conducted in the name of the registrant as it appears on the registration.

22 (4) No person registered to act within this state as a debt collector shall do so under any
23 other name or at any other place of business than that named in the registration. The registration
24 shall be for a single location but may, with notification to the director, be moved to a different
25 location. A registration shall not be transferable or assignable.

26 (5) This section shall not apply:

27 (a) To the servicer of a debt by a mortgage; or

28 (b) To any debt collector located out of this state, provided that the debt collector:

29 (1) Is collecting debts on behalf of an out-of-state creditor for a debt that was incurred out
30 of state; and

31 (2) Only collects debts in this state using interstate communication methods, including
32 telephone, facsimile, or mail.

33 (c) To any regulated institution as defined under § 19-1-1, national banking association,
34 federal savings bank, federal savings and loan association, federal credit union, or any bank, trust

1 company, savings bank, savings and loan association, or credit union organized under the laws of
2 this state, or any other state of the United States, or any subsidiary of the above; but except as
3 provided herein, this section shall apply to a subsidiary or affiliate, as defined by the director, of
4 an exempted entity and of a bank holding company established in accordance with state or federal
5 law.

6 SECTION 4. Sections 23-1-55, 23-1-56, 23-1-57 and 23-1-58 of the General Laws in
7 Chapter 23-1 entitled "Department of Health" are hereby repealed.

8 **23-1-55. Electronic nicotine delivery system distributor, and dealer licenses required**

9 **--Definitions:**

10 ~~Definitions. Whenever used in §§ 23-1-56 to 23-1-58, unless the context requires~~
11 ~~otherwise:~~

12 ~~(1) "Dealer" means any person, whether located within or outside of this state, who sells~~
13 ~~or distributes electronic nicotine delivery system products to a consumer in this state;~~

14 ~~(2) "Distributor" means any person:~~

15 ~~(i) Whether located within or outside of this state, other than a dealer, who sells or~~
16 ~~distributes electronic nicotine delivery system products within or into this state. Such term shall~~
17 ~~not include any electronic nicotine delivery system products manufacturer, export warehouse~~
18 ~~proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine~~
19 ~~delivery system products in this state only to licensed distributors or to an export warehouse~~
20 ~~proprietor or another manufacturer with a valid permit;~~

21 ~~(ii) Selling electronic nicotine delivery system products directly to consumers in this state~~
22 ~~by means of at least twenty five (25) electronic nicotine delivery system product vending~~
23 ~~machines;~~

24 ~~(iii) Engaged in this state in the business of manufacturing electronic nicotine delivery~~
25 ~~system products or any person engaged in the business of selling electronic nicotine delivery~~
26 ~~system products to dealers, or to other persons, for the purpose of resale only; provided that~~
27 ~~seventy five percent (75%) of all electronic nicotine delivery system products sold by that person~~
28 ~~in this state are sold to dealers or other persons for resale and selling electronic nicotine delivery~~
29 ~~system products directly to at least forty (40) dealers or other persons for resale; or~~

30 ~~(iv) Maintaining one or more regular places of business in this state for that purpose;~~
31 ~~provided, that seventy five percent (75%) of the sold electronic nicotine delivery system products~~
32 ~~are purchased directly from the manufacturer and selling electronic nicotine delivery system~~
33 ~~products directly to at least forty (40) dealers or other persons for resale;~~

34 ~~(3) "Electronic nicotine delivery system" means the products as defined in § 11-9-~~

1 ~~13.4(15).~~

2 ~~**23-1-56. License.**~~

3 ~~(a) Each person engaging in the business of selling electronic nicotine delivery system~~
4 ~~products in the state, including any distributor or dealer, shall secure a license annually from the~~
5 ~~department before engaging in that business or continuing to engage in it. A separate application~~
6 ~~and license is required for each place of business operated by a distributor or dealer. If the~~
7 ~~applicant for a license does not have a place of business in this state, the license shall be issued~~
8 ~~for such applicant's principal place of business, wherever located. A licensee shall notify the~~
9 ~~department within thirty (30) days in the event that it changes its principal place of business. A~~
10 ~~separate license is required for each class of business if the applicant is engaged in more than one~~
11 ~~of the activities required to be licensed by this section. No person shall maintain or operate, or~~
12 ~~cause to be operated, a vending machine for electronic nicotine delivery systems without~~
13 ~~procuring a dealer's license for each machine.~~

14 ~~(b) The director shall have authority to set a reasonable fee not to exceed twenty five~~
15 ~~dollars (\$25.00) for the issuance of the license.~~

16 ~~(c) Each issued license shall be prominently displayed on the premises, if any, covered by~~
17 ~~the license.~~

18 ~~(d) The director shall create and maintain a website setting forth the identity of all~~
19 ~~licensed persons under this section, itemized by type of license possessed, and shall update the~~
20 ~~site no less frequently than six (6) times per year.~~

21 ~~(e) A manufacturer or importer may sell or distribute electronic nicotine delivery systems~~
22 ~~to a person located or doing business within the state only if such person is a licensed distributor.~~
23 ~~An importer may obtain electronic nicotine delivery systems only from a licensed manufacturer.~~
24 ~~A distributor may sell or distribute electronic nicotine delivery systems to a person located or~~
25 ~~doing business within this state only if such person is a licensed distributor or dealer. A~~
26 ~~distributor may obtain electronic nicotine delivery systems only from a licensed manufacturer,~~
27 ~~importer, or distributor. A dealer may obtain electronic nicotine delivery systems only from a~~
28 ~~licensed distributor.~~

29 ~~(f)(1) No license under this chapter may be granted, maintained, or renewed if the~~
30 ~~applicant, or any combination of persons owning directly or indirectly any interests in the~~
31 ~~applicant:~~

32 ~~(i) Is delinquent in any tax filings for one month or more; or~~

33 ~~(ii) Had a license under this chapter revoked within the past two (2) years.~~

34 ~~(2) No person shall apply for a new license, or renewal of a license and no license shall~~

1 ~~be issued or renewed for any person, unless all outstanding fines, fees, or other charges relating to~~
2 ~~any license held by that person have been paid.~~

3 ~~(3) No license shall be issued relating to a business at any specific location until all prior~~
4 ~~licenses relating to that location have been officially terminated and all fines, fees, or charges~~
5 ~~relating to the prior licenses have been paid or otherwise resolved or if the director has found that~~
6 ~~the person applying for the new license is not acting as an agent for the prior licensee who is~~
7 ~~subject to any such related fines, fees, or charges that are still due. Evidence of such agency status~~
8 ~~includes, but is not limited to, a direct familial relationship and/or employment, contractual, or~~
9 ~~other formal financial or business relationship with the prior licensee.~~

10 ~~(4) No person shall apply for a new license pertaining to a specific location in order to~~
11 ~~evade payment of any fines, fees, or other charges relating to a prior license for that location.~~

12 ~~(5) No new license shall be issued for a business at a specific location for which a license~~
13 ~~has already issued unless there is a bona fide, good faith change in ownership of the business at~~
14 ~~that location.~~

15 ~~(6) No license or permit shall be issued, renewed or maintained for any person, including~~
16 ~~the owners of the business being licensed, who has been convicted of violating any criminal law~~
17 ~~relating to tobacco products and/or electronic nicotine delivery system products, the payment of~~
18 ~~taxes, or fraud, or has been ordered to pay civil fines of more than twenty five thousand dollars~~
19 ~~(\$25,000) for violations of any civil law relating to tobacco products and/or electronic nicotine~~
20 ~~delivery system products, the payment of taxes, or fraud.~~

21 **23-1-57. Penalties for unlicensed business.**

22 ~~Any distributor or dealer who sells, offers for sale, or possesses with intent to sell,~~
23 ~~electronic nicotine delivery system products without a license as provided in § 23-1-56, shall be~~
24 ~~fined in accordance with the provisions of, and the penalties contained in, § 23-1-58.~~

25 **23-1-58. Penalty for operating without a dealer license.**

26 ~~(a) Any individual or business who violates this chapter by selling or conveying an~~
27 ~~electronic nicotine delivery system product without a retail license shall be cited for that violation~~
28 ~~and shall be required to appear in district court for a hearing on the citation.~~

29 ~~(b) Any individual or business cited for a violation hereunder shall:~~

30 ~~(1) Either post a five hundred dollar (\$500) bond with the district court within ten (10)~~
31 ~~days of the citation; or~~

32 ~~(2) Sign and accept the citation indicating a promise to appear in court.~~

33 ~~(c) An individual or business who or that has accepted the citation may:~~

34 ~~(1) Pay the five hundred dollar (\$500) fine, either by mail or in person, within ten (10)~~

1 ~~days after receiving the citation; or~~

2 ~~(2) If that individual or business has posted a bond, forfeit the bond by not appearing at~~
3 ~~the scheduled hearing. If the individual or business cited pays the five hundred dollar (\$500) fine~~
4 ~~or forfeits the bond, that individual or business is deemed to have admitted the cited violation and~~
5 ~~to have waived the right to a hearing on the issue of commission on the violation.~~

6 ~~(d) The court, after a hearing on a citation, shall make a determination as to whether a~~
7 ~~violation has been committed. If it is established that the violation did occur, the court shall~~
8 ~~impose a five hundred dollar (\$500) fine in addition to any court costs or fees.~~

9 SECTION 5. Sections 28-43-8.1 and 28-43-29 of the General Laws in Chapter 28-43
10 entitled "Employment Security - Contributions" are hereby amended to read as follows:

11 **28-43-8.1. Time and manner of payment of employer contributions.**

12 Contributions [and assessments](#) required under this chapter for each year shall be paid by
13 each employer in the manner and at the times that the director may prescribe.

14 **28-43-29. Liability for contributions and election of reimbursement.**

15 (a) Any nonprofit organization or governmental entity which is or becomes subject to
16 chapters 42 -- 44 of this title on or after January 1, 1978, shall pay contributions under the
17 provisions of chapters 42 -- 44 of this title, unless it elects, in accordance with this section, to pay
18 to the director for the employment security fund the full amount of regular benefits paid plus the
19 full amount of the extended benefits paid, less any federal payments to the state under § 204 of
20 the Federal-State Extended Unemployment Compensation Act of 1970, that are attributable to
21 service in the employ of that nonprofit organization or governmental entity to individuals for
22 weeks of unemployment which begin during the effective period of that election; provided, that
23 for weeks of unemployment beginning on or after January 1, 1979, governmental entities which
24 have elected reimbursement shall be responsible for reimbursing the employment security fund
25 for the full amount of extended benefits paid that is attributable to service in the employ of those
26 entities.

27 (b) Any nonprofit organization or governmental entity which is or becomes subject to
28 chapters 42 -- 44 of this title on January 1, 1978, may elect to become liable for payments in lieu
29 of contributions for a period of not less than the 1978 tax year and the next ensuing tax year
30 provided it files with the director a written notice of its election within the thirty (30) day period
31 immediately following January 1, 1978.

32 (c) Any nonprofit organization or governmental entity which becomes subject to chapters
33 42 -- 44 of this title after January 1, 1978, may elect to become liable for payments in lieu of
34 contributions for a period of not less than the balance of the tax year beginning with the date on

1 which that subjectivity begins and the next ensuing tax year by filing a written notice of its
2 election with the director not later than thirty (30) days immediately following the date of the
3 determination of that subjectivity.

4 (d) Any nonprofit organization or governmental entity which makes an election in
5 accordance with subsection (b) or (c) of this section will continue to be liable for payments in lieu
6 of contributions until it files with the director a written notice terminating its election not later
7 than thirty (30) days prior to the beginning of the tax year for which that termination shall first be
8 effective. The nonprofit organization or governmental entity shall thereafter be liable for the
9 payment of contributions for not less than that tax year and the next ensuing tax year before
10 another election can be exercised.

11 (e) Any nonprofit organization or governmental entity which has been paying
12 contributions under chapters 42 -- 44 of this title for a period subsequent to January 1, 1978, may
13 change to a reimbursable basis by filing with the director not later than thirty (30) days prior to
14 the beginning of any tax year a written notice of election to become liable for payments in lieu of
15 contributions. That election shall not be terminable by the organization or entity for that tax year
16 and for the next ensuing tax year.

17 (f) The director may for good cause extend the period within which a notice of election,
18 or a notice of termination, must be filed and may permit an election to be retroactive but not any
19 earlier than with respect to benefits paid on or after January 1, 1978.

20 (g) The director, in accordance with any procedures that he or she may prescribe, shall
21 notify each nonprofit organization or governmental entity of any determination which may be
22 made of its status as an employer and of the effective date of any election which it makes and of
23 any termination of that election. Any determination shall be conclusive on the organization or the
24 entity unless within fifteen (15) days after notice of the determination has been mailed or
25 otherwise delivered to it, an appeal is made to the board of review in writing in accordance with
26 the provisions of § 28-43-14.

27 (h) Effective January 1, 2020, notwithstanding the foregoing, any nonprofit organization,
28 not including governmental entities, employing not less than one thousand (1,000) employees
29 shall be subject to the job development assessment as prescribed in § 28-43-8.5. The director is
30 authorized to promulgate regulations to administer this assessment.

31 SECTION 6. Section 31-3-6 of the General Laws in Chapter 31-3 entitled "Registration
32 of Vehicles" is hereby amended to read as follows:

33 **31-3-6. List of vehicles on which taxes delinquent -- Denial of registration. ~~Effective~~**
34 **January 1, 2019.**

1 (a) On or before October 31 in each year, the collector of taxes of each city or town ~~shall~~
2 may furnish the division of motor vehicles, with a listing showing the registration plate numbers,
3 names, and addresses of the taxpayers of the city or town whose personal property and/or excise
4 tax on motor vehicles, the assessment of which were made the prior December 31 in the case of
5 the property tax, and the tax levied in the current year in the case of the excise tax, remained
6 unpaid as of the date of the list, and shall remit to the division of motor vehicles a five-dollar (\$
7 5.00) fee for each taxpayer. Subsequently, the collector of taxes in each city or town shall, at the
8 times and in the manner prescribed by the administrator of the division of motor vehicles, furnish
9 to the division of motor vehicles the names and addresses of those persons whose names appeared
10 on that list who have subsequently paid the personal property, and/or excise taxes on motor
11 vehicles, and the division shall remove from the list the names and addresses of those persons. No
12 city or town treasurer or tax collector shall refuse to accept personal property, and/or excise taxes
13 on a motor vehicle, or refuse to remove the names and addresses of the owners of the vehicle
14 from the list because of any other taxes owing the city or town. No person, corporation,
15 partnership, joint stock company, or association whose name appears on the list and whose name
16 has not been subsequently removed from the list shall be permitted to register any motor vehicle
17 until all the excise and attendant penalties have been paid in full and the payment has been
18 certified to the division of motor vehicles by the tax collector. The provisions of this section shall
19 not be construed so as to prevent the payment of taxes on motor vehicles in quarterly installments
20 as provided in chapter 5 of title 44. The provisions of this section shall apply in all respects in the
21 case of taxes assessed upon motor vehicles by any fire district. The division of motor vehicles
22 shall not add to the list the names and addresses of taxpayers that are received from any city or
23 town with fees payable under this subsection that have been outstanding for more than thirty (30)
24 days until such fees are paid in full.

25 (b) The division of motor vehicles (the "division") shall provide a written notice to those
26 persons or other taxpayers (the "person") whose name appears on the list generated in accordance
27 with the provisions of subsection (a). This notice shall include:

28 (1) The name of the municipality or other entity providing the person's name to the
29 division; and

30 (2) A statement that the person identified on the list shall not be permitted to register any
31 motor vehicle until the tax matter has been resolved and the person's name is removed from the
32 list as provided for under subsection (a).

33 SECTION 7. Effective July 1, 2019, Sections 42-63.1-3 and 42-63.1-12 of the General
34 Laws in Chapter 42-63.1 entitled "Tourism and Development" are hereby amended to read as

1 follows:

2 **42-63.1-3. Distribution of tax.**

3 (a) For returns and tax payments received on or before December 31, 2015, except as
4 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax
5 collected from residential units offered for tourist or transient use through a hosting platform,
6 shall be distributed as follows by the division of taxation and the city of Newport:

7 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
8 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
9 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
10 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
11 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
12 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
13 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
14 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
15 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
16 Convention Authority of the city of Providence established pursuant to the provisions of chapter
17 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
18 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the
19 receipts attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode
20 Island commerce corporation as established in chapter 64 of title 42.

21 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where
22 the hotel, which generated the tax, is physically located, to be used for whatever purpose the city
23 or town decides.

24 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
25 corporation established in chapter 64 of title 42, and seven percent (7%) to the Greater
26 Providence-Warwick Convention and Visitors' Bureau.

27 (b) For returns and tax payments received after December 31, 2015, except as provided in
28 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
29 residential units offered for tourist or transient use through a hosting platform, shall be distributed
30 as follows by the division of taxation and the city of Newport:

31 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
32 42-63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district,
33 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
34 the tax, is physically located, five percent (5%) of the tax shall be given to the Greater

1 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
2 eight percent (28%) of the tax shall be given to the Rhode Island commerce corporation
3 established in chapter 64 of title 42.

4 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
5 5, twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five
6 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
7 tax, is physically located, twenty-three (23%) of the tax shall be given to the Greater Providence-
8 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of
9 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
10 42.

11 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
12 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
13 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
14 physically located, twenty-three percent (23%) of the tax shall be given to the Greater
15 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
16 four (24%) of the tax shall be given to the Rhode Island commerce corporation established in
17 chapter 64 of title 42.

18 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
19 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
20 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
21 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
22 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
23 chapter 64 of title 42.

24 (5) With respect to the tax generated by hotels in districts other than those set forth in
25 subdivisions (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the
26 regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
27 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
28 tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
29 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of
30 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
31 42.

32 (c) The proceeds of the hotel tax collected from residential units offered for tourist or
33 transient use through a hosting platform shall be distributed as follows by the division of taxation
34 and the city of Newport: ~~twenty-five percent (25%)~~ twenty and eight tenths percent (20.8%) of

1 the tax shall be given to the city or town where the residential unit, which generated the tax, is
2 physically located, sixteen and seven tenths percent (16.7%) of the tax shall be given to general
3 revenue, and ~~seventy five percent (75%)~~ sixty-two and one half percent (62.5%) of the tax shall
4 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

5 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend
6 on the promotion and marketing of Rhode Island as a destination for tourists or businesses an
7 amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this
8 chapter for such fiscal year.

9 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
10 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-
11 63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
12 residential units offered for tourist or transient use through a hosting platform, shall be distributed
13 in accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of
14 this section by the division of taxation and the city of Newport.

15 (f) For returns and tax payments received on or after July 1, 2018 and on or before June
16 30, 2019, except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such
17 portion of the hotel tax collected from residential units offered for tourist or transient use through
18 a hosting platform, shall be distributed as follows by the division of taxation and the city of
19 Newport:

20 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
21 42-63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district,
22 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
23 the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
24 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
25 five percent (25%) of the tax shall be given to the Rhode Island commerce corporation
26 established in chapter 64 of title 42.

27 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
28 5, thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent
29 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
30 physically located, twenty-four (24%) of the tax shall be given to the Greater Providence-
31 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of
32 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
33 42.

34 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,

thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(5) With respect to the tax generated by hotels in districts other than those set forth in subdivisions (b)(1) through (b)(4), forty-five percent (45%) of the tax shall be given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(g) For returns and tax payments received on or after July 1, 2019, 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) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-63.1-5, thirty-seven and one half percent (37.5%) of the tax shall be given to the Aquidneck Island district, twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, four and two tenths percent (4.2%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General Revenue, and twenty and eight tenths percent (20.8%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5, twenty-five percent (25%) of the tax shall be given to the Providence district, twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where the hotel, which

1 generated the tax, is physically located, twenty percent (20%) of the tax shall be given to the
2 Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11,
3 sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General Revenue, and
4 seventeen and one half percent (17.5%) of the tax shall be given to the Rhode Island commerce
5 corporation established in chapter 64 of title 42.

6 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
7 twenty-five percent (25%) of the tax shall be given to the Warwick District, twenty and eight
8 tenths percent (20.8%) of the tax shall be given to the city or town where the hotel, which
9 generated the tax, is physically located, twenty percent (20%) of the tax shall be given to the
10 Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11,
11 sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General Revenue, and
12 seventeen and one half percent (17.5%) of the tax shall be given to the Rhode Island commerce
13 corporation established in chapter 64 of title 42.

14 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
15 twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where the
16 hotel, which generated the tax, is physically located, four and two tenths percent (4.2%) of the tax
17 shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in
18 § 42-63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General
19 Revenue, and fifty-eight and three tenths(58.3%) of the tax shall be given to the Rhode Island
20 commerce corporation established in chapter 64 of title 42.

21 (5) With respect to the tax generated by hotels in districts other than those set forth in
22 subdivisions (g)(1) through (g)(4), thirty-seven and one half percent (37.5%) of the tax shall be
23 given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located,
24 twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where the
25 hotel, which generated the tax, is physically located, four and two tenths percent (4.2%) of the tax
26 shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in
27 § 42-63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General
28 Revenue, twenty and eight tenths percent (20.8%) of the tax shall be given to the Rhode Island
29 commerce corporation established in chapter 64 of title 42.

30 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority.**

31 (a) For returns and tax received on or before December 31, 2015, the proceeds of the
32 hotel tax generated by any and all hotels physically connected to the Rhode Island Convention
33 Center shall be distributed as follows: twenty-seven percent (27%) shall be deposited as general
34 revenues; thirty-one percent (31%) shall be given to the convention authority of the city of

1 Providence; twelve percent (12%) shall be given to the greater Providence-Warwick convention
2 and visitor's bureau; thirty percent (30%) shall be given to the Rhode Island convention center
3 authority to be used in the furtherance of the purposes set forth in § 42-99-4.

4 (b) For returns and tax received after December 31, 2015, the proceeds of the hotel tax
5 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
6 be distributed as follows: twenty-eight percent (28%) shall be given to the convention authority of
7 the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick
8 convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island
9 Commerce Corporation established in chapter 64 of title 42.

10 (c) The Rhode Island Convention Center Authority is authorized and empowered to enter
11 into contracts with the Greater Providence-Warwick Convention and Visitors' Bureau in the
12 furtherance of the purposes set forth in this chapter.

13 (d) For returns and tax received on or after July 1, 2018 [and on or before June 30, 2019](#),
14 the proceeds of the hotel tax generated by any and all hotels physically connected to the Rhode
15 Island Convention Center shall be distributed as follows: thirty percent (30%) shall be given to
16 the convention authority of the city of Providence; twenty percent (20%) shall be given to the
17 greater Providence-Warwick convention and visitor's bureau; and fifty percent (50%) shall be
18 given to the Rhode Island Commerce Corporation established in chapter 64 of title 42.

19 [\(e\) For returns and tax received on or after July 1, 2019, the proceeds of the hotel tax](#)
20 [generated by any and all hotels physically connected to the Rhode Island Convention Center shall](#)
21 [be distributed as follows: twenty-five percent \(25%\) shall be given to the convention authority of](#)
22 [the city of Providence; sixteen and seven tenths percent \(16.7%\) shall be given to the greater](#)
23 [Providence-Warwick convention and visitor's bureau; sixteen and seven tenths percent \(16.7%\) of](#)
24 [the tax shall be given to General Revenue; and forty-one and six tenths percent \(41.6%\) shall be](#)
25 [given to the Rhode Island Commerce Corporation established in chapter 64 of title 42.](#)

26 SECTION 8. Section 42-142-8 of the General Laws in Chapter 42-142 entitled
27 "Department of Revenue" is hereby amended to read as follows:

28 **42-142-8. Collection unit.**

29 (a) The director of the department of revenue is authorized to establish within the
30 department of revenue a collection unit for the purpose of assisting state agencies in the collection
31 of debts owed to the state. The director of the department of revenue may enter into an agreement
32 with any state agency(ies) to collect any delinquent debt owed to the state.

33 (b) The director of the department of revenue shall initially implement a pilot program to
34 assist the agency(ies) with the collection of delinquent debts owed to the state.

1 (c) The agency(ies) participating in the pilot program shall refer to the collection unit
2 within the department of revenue, debts owed by delinquent debtors where the nature and amount
3 of the debt owed has been determined and reconciled by the agency and the debt is: (i) The
4 subject of a written settlement agreement and/or written waiver agreement and the delinquent
5 debtor has failed to timely make payments under said agreement and/or waiver and is therefore in
6 violation of the terms of said agreement and/or waiver; (ii) The subject of a final administrative
7 order or decision and the debtor has not timely appealed said order or decision; (iii) The subject
8 of final order, judgment or decision of a court of competent jurisdiction and the debtor has not
9 timely appealed said order, judgment or decision. The collection unit shall not accept a referral of
10 any delinquent debt unless it satisfies subsection (c)(i), (ii) or (iii) of this section.

11 (d) Any agency(ies) entering into an agreement with the department of revenue to allow
12 the collection unit of the department to collect a delinquent debt owed to the state shall indemnify
13 the department of revenue against injuries, actions, liabilities, or proceedings arising from the
14 collection, or attempted collection, by the collection unit of the debt owed to the state.

15 (e) Before referring a delinquent debt to the collection unit, the agency(ies) must notify
16 the debtor of its intention to submit the debt to the collection unit for collection and of the
17 debtor's right to appeal that decision not less than thirty (30) days before the debt is submitted to
18 the collection unit.

19 (f) At such time as the agency(ies) refers a delinquent debt to the collection unit, the
20 agency shall: (i) Represent in writing to the collection unit that it has complied with all applicable
21 state and federal laws and regulations relating to the collection of the debt, including, but not
22 limited to, the requirement to provide the debtor with the notice of referral to the collection unit
23 under subsection (e) of this section; and (ii) Provide the collection unit personnel with all relevant
24 supporting documentation including, but not limited to, notices, invoices, ledgers,
25 correspondence, agreements, waivers, decisions, orders, and judgments necessary for the
26 collection unit to attempt to collect the delinquent debt.

27 (g) The referring agency(ies) shall assist the collection unit by providing any and all
28 information, expertise, and resources deemed necessary by the collection unit to collect the
29 delinquent debts referred to the collection unit.

30 (h) Upon receipt of a referral of a delinquent debt from an agency(ies), the amount of the
31 delinquent debt shall accrue interest at the an annual rate of interest established by law for the
32 referring agency or at an annual rate of 13%, whichever percentage rate is greater. ~~with such rate~~
33 ~~determined by adding two percent (2%) to the prime rate which was in effect on October 1 of the~~
34 ~~preceding year; provided however, in no event shall the rate of interest exceed twenty one percent~~

1 ~~(21%) per annum nor be less than eighteen percent (18%) per annum.~~

2 (i) Upon receipt of a referral of a delinquent debt from the agency(ies), the collection unit
3 shall provide the delinquent debtor with a "Notice of Referral" advising the debtor that:

4 (1) The delinquent debt has been referred to the collection unit for collection; and

5 (2) The collection unit will initiate, in its names, any action that is available under state
6 law for the collection of the delinquent debt, including, but not limited to, referring the debt to a
7 third party to initiate said action.

8 (j) Upon receipt of a referral of a delinquent debt from an agency(ies), the director of the
9 department of revenue shall have the authority to institute, in its name, any action(s) that are
10 available under state law for collection of the delinquent debt and interest, penalties, and/or fees
11 thereon and to, with or without suit, settle the delinquent debt.

12 (k) In exercising its authority under this section, the collection unit shall comply with all
13 state and federal laws and regulations related to the collection of debts.

14 (l) Upon the receipt of payment from a delinquent debtor, whether a full or partial
15 payment, the collection unit shall disburse/deposit the proceeds of said payment in the following
16 order:

17 (1) To the appropriate federal account to reimburse the federal government funds owed to
18 them by the state from funds recovered; and

19 (2) The balance of the amount collected to the referring agency.

20 (m) Notwithstanding the above, the establishment of a collection unit within the
21 department of revenue shall be contingent upon an annual appropriation by the general assembly
22 of amounts necessary and sufficient to cover the costs and expenses to establish, maintain, and
23 operate the collection unit including, but not limited to, computer hardware and software,
24 maintenance of the computer system to manage the system, and personnel to perform work within
25 the collection unit.

26 (n) In addition to the implementation of any pilot program, the collection unit shall
27 comply with the provisions of this section in the collection of all delinquent debts under this
28 section.

29 (o) The department of revenue is authorized to promulgate rules and regulations as it
30 deems appropriate with respect to the collection unit.

31 (p) By September 1, 2020, and each year thereafter, the department of revenue shall
32 specifically assess the performance, effectiveness, and revenue impact of the collections
33 associated with this section, including, but not limited to, the total amounts referred and collected
34 by each referring agency during the previous state fiscal year to the governor, the speaker of the

1 house of representatives, the president of the senate, the chairpersons of the house and senate
2 finance committees, and the house and senate fiscal advisors. Such report shall include the net
3 revenue impact to the state of the collection unit.

4 (q) No operations of a collection unit pursuant to this chapter shall be authorized after
5 June 30, 2021.

6 SECTION 9. Sections 44-18-7, 44-18-7.1, 44-18-7.3, 44-18-8, 44-18-15, 44-18-15.2, 44-
7 18-20, 44-18-21, 44-18-22, 44-18-23, 44-18-25 and 44-18-30 of the General Laws in Chapter 44-
8 18 entitled "Sales and Use Taxes - Liability and Computation" are hereby amended to read as
9 follows:

10 **44-18-7. Sales defined.**

11 "Sales" means and includes:

12 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or
13 otherwise, in any manner or by any means of tangible personal property for a consideration.
14 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator
15 to be in lieu of a transfer of title, exchange, or barter.

16 (2) The producing, fabricating, processing, printing, or imprinting of tangible personal
17 property for a consideration for consumers who furnish either directly or indirectly the materials
18 used in the producing, fabricating, processing, printing, or imprinting.

19 (3) The furnishing and distributing of tangible personal property for a consideration by
20 social, athletic, and similar clubs and fraternal organizations to their members or others.

21 (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,
22 including any cover, minimum, entertainment, or other charge in connection therewith.

23 (5) A transaction whereby the possession of tangible personal property is transferred, but
24 the seller retains the title as security for the payment of the price.

25 (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate
26 commerce, of tangible personal property from the place where it is located for delivery to a point
27 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,
28 conditional or otherwise, in any manner or by any means whatsoever, of the property for a
29 consideration.

30 (7) A transfer for a consideration of the title or possession of tangible personal property,
31 which has been produced, fabricated, or printed to the special order of the customer, or any
32 publication.

33 (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,
34 refrigeration, and water.

1 (9)(i) The furnishing for consideration of intrastate, interstate, and international
2 telecommunications service sourced in this state in accordance with §§ 44-18.1-15 and 44-18.1-
3 16 and all ancillary services, and any maintenance services of telecommunication equipment
4 other than as provided for in § 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this title
5 only, telecommunication service does not include service rendered using a prepaid telephone
6 calling arrangement.

7 (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance
8 with the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 -- 126), subject to the
9 specific exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8
10 and 44-18-12, mobile telecommunications services that are deemed to be provided by the
11 customer's home service provider are subject to tax under this chapter if the customer's place of
12 primary use is in this state regardless of where the mobile telecommunications services originate,
13 terminate, or pass through. Mobile telecommunications services provided to a customer, the
14 charges for which are billed by or for the customer's home service provider, shall be deemed to be
15 provided by the customer's home service provider.

16 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio
17 and the furnishing of community antenna television, subscription television, and cable television
18 services.

19 (11) The rental of living quarters in any hotel, rooming house, or tourist camp.

20 (12) The transfer for consideration of prepaid telephone calling arrangements and the
21 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§
22 44-18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid
23 calling service and prepaid wireless calling service.

24 (13) The sale, storage, use, or other consumption of over-the-counter drugs as defined in
25 § 44-18-7.1(h)(ii).

26 (14) The sale, storage, use, or other consumption of prewritten computer software
27 delivered electronically or by load and leave as defined in § 44-18-7.1(g)(v).

28 (15) The sale, storage, use, or other consumption of vendor-hosted prewritten computer
29 software as defined in § 44-18-7.1(g)(vii).

30 [\(16\) The sale, storage, use, or other consumption of specified digital products as defined](#)
31 [in 44-18-7.1\(x\).](#)

32 (17~~6~~) The sale, storage, use, or other consumption of medical marijuana as defined in §
33 21-28.6-3.

34 (18~~7~~) The furnishing of services in this state as defined in § 44-18-7.3.

1 **44-18-7.1. Additional definitions.**

2 (a) "Agreement" means the streamlined sales and use tax agreement.

3 (b) "Alcoholic beverages" means beverages that are suitable for human consumption and
4 contain one-half of one percent (.5%) or more of alcohol by volume.

5 (c) "Bundled transaction" is the retail sale of two or more products, except real property
6 and services to real property, where (1) The products are otherwise distinct and identifiable, and
7 (2) The products are sold for one non-itemized price. A "bundled transaction" does not include
8 the sale of any products in which the "sales price" varies, or is negotiable, based on the selection
9 by the purchaser of the products included in the transaction.

10 (i) "Distinct and identifiable products" does not include:

11 (A) Packaging -- such as containers, boxes, sacks, bags, and bottles -- or other materials -
12 - such as wrapping, labels, tags, and instruction guides -- that accompany the "retail sale" of the
13 products and are incidental or immaterial to the "retail sale" thereof. Examples of packaging that
14 are incidental or immaterial include grocery sacks, shoeboxes, dry cleaning garment bags, and
15 express delivery envelopes and boxes.

16 (B) A product provided free of charge with the required purchase of another product. A
17 product is "provided free of charge" if the "sales price" of the product purchased does not vary
18 depending on the inclusion of the products "provided free of charge."

19 (C) Items included in the member state's definition of "sales price," pursuant to appendix
20 C of the agreement.

21 (ii) The term "one non-itemized price" does not include a price that is separately
22 identified by product on binding sales or other supporting sales-related documentation made
23 available to the customer in paper or electronic form including, but not limited to, an invoice, bill
24 of sale, receipt, contract, service agreement, lease agreement, periodic notice of rates and
25 services, rate card, or price list.

26 (iii) A transaction that otherwise meets the definition of a "bundled transaction" as
27 defined above, is not a "bundled transaction" if it is:

28 (A) The "retail sale" of tangible personal property and a service where the tangible
29 personal property is essential to the use of the service, and is provided exclusively in connection
30 with the service, and the true object of the transaction is the service; or

31 (B) The "retail sale" of services where one service is provided that is essential to the use
32 or receipt of a second service and the first service is provided exclusively in connection with the
33 second service and the true object of the transaction is the second service; or

34 (C) A transaction that includes taxable products and nontaxable products and the

1 "purchase price" or "sales price" of the taxable products is de minimis.

2 1. De minimis means the seller's "purchase price" or "sales price" of the taxable products
3 is ten percent (10%) or less of the total "purchase price" or "sales price" of the bundled products.

4 2. Sellers shall use either the "purchase price" or the "sales price" of the products to
5 determine if the taxable products are de minimis. Sellers may not use a combination of the
6 "purchase price" and "sales price" of the products to determine if the taxable products are de
7 minimis.

8 3. Sellers shall use the full term of a service contract to determine if the taxable products
9 are de minimis; or

10 (D) The "retail sale" of exempt tangible personal property and taxable tangible personal
11 property where:

12 1. The transaction includes "food and food ingredients", "drugs", "durable medical
13 equipment", "mobility enhancing equipment", "over-the-counter drugs", "prosthetic devices" (all
14 as defined in this section) or medical supplies; and

15 2. Where the seller's "purchase price" or "sales price" of the taxable tangible personal
16 property is fifty percent (50%) or less of the total "purchase price" or "sales price" of the bundled
17 tangible personal property. Sellers may not use a combination of the "purchase price" and "sales
18 price" of the tangible personal property when making the fifty percent (50%) determination for a
19 transaction.

20 (d) "Certified automated system (CAS)" means software certified under the agreement to
21 calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to
22 remit to the appropriate state, and maintain a record of the transaction.

23 (e) "Certified service provider (CSP)" means an agent certified under the agreement to
24 perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on
25 its own purchases.

26 (f) Clothing and related items.

27 (i) "Clothing" means all human wearing apparel suitable for general use.

28 (ii) "Clothing accessories or equipment" means incidental items worn on the person or in
29 conjunction with "clothing." "Clothing accessories or equipment" does not include "clothing",
30 "sport or recreational equipment", or "protective equipment."

31 (iii) "Protective equipment" means items for human wear and designed as protection of
32 the wearer against injury or disease or as protections against damage or injury of other persons or
33 property but not suitable for general use. "Protective equipment" does not include "clothing",
34 "clothing accessories or equipment", and "sport or recreational equipment."

1 (iv) "Sport or recreational equipment" means items designed for human use and worn in
2 conjunction with an athletic or recreational activity that are not suitable for general use. "Sport or
3 recreational equipment" does not include "clothing", "clothing accessories or equipment", and
4 "protective equipment."

5 (g) Computer and related items.

6 (i) "Computer" means an electronic device that accepts information in digital or similar
7 form and manipulates it for a result based on a sequence of instructions.

8 (ii) "Computer software" means a set of coded instructions designed to cause a
9 "computer" or automatic data processing equipment to perform a task.

10 (iii) "Delivered electronically" means delivered to the purchaser by means other than
11 tangible storage media.

12 (iv) "Electronic" means relating to technology having electrical, digital, magnetic,
13 wireless, optical, electromagnetic, or similar capabilities.

14 (v) "Load and leave" means delivery to the purchaser by use of a tangible storage media
15 where the tangible storage media is not physically transferred to the purchaser.

16 (vi) "Prewritten computer software" means "computer software," including prewritten
17 upgrades, that is not designed and developed by the author or other creator to the specifications of
18 a specific purchaser. The combining of two (2) or more "prewritten computer software"
19 programs or prewritten portions thereof does not cause the combination to be other than
20 "prewritten computer software." "Prewritten computer software" includes software designed and
21 developed by the author or other creator to the specifications of a specific purchaser when it is
22 sold to a person other than the specific purchaser. Where a person modifies or enhances
23 "computer software" of which the person is not the author or creator, the person shall be deemed
24 to be the author or creator only of such person's modifications or enhancements. "Prewritten
25 computer software" or a prewritten portion thereof that is modified or enhanced to any degree,
26 where such modification or enhancement is designed and developed to the specifications of a
27 specific purchaser, remains "prewritten computer software"; provided, however, that where there
28 is a reasonable, separately stated charge or an invoice or other statement of the price given to the
29 purchaser for such modification or enhancement, such modification or enhancement shall not
30 constitute "prewritten computer software."

31 (vii) "Vendor-hosted prewritten computer software" means prewritten computer software
32 that is accessed through the internet and/or a vendor-hosted server regardless of whether the
33 access is permanent or temporary and regardless of whether any downloading occurs.

34 (h) Drugs and related items.

1 (i) "Drug" means a compound, substance, or preparation, and any component of a
2 compound, substance, or preparation, other than "food and food ingredients," "dietary
3 supplements" or "alcoholic beverages":

4 (A) Recognized in the official United States Pharmacopoeia, official Homeopathic
5 Pharmacopoeia of the United States, or official National Formulary, and supplement to any of
6 them; or

7 (B) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of
8 disease; or

9 (C) Intended to affect the structure or any function of the body.

10 "Drug" shall also include insulin and medical oxygen whether or not sold on prescription.

11 (ii) "Over-the-counter drug" means a drug that contains a label that identifies the product
12 as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter drug" label includes:

13 (A) A "Drug Facts" panel; or

14 (B) A statement of the "active ingredient(s)" with a list of those ingredients contained in
15 the compound, substance, or preparation.

16 "Over-the-counter drug" shall not include "grooming and hygiene products."

17 (iii) "Grooming and hygiene products" are soaps and cleaning solutions, shampoo,
18 toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the
19 items meet the definition of "over-the-counter drugs."

20 (iv) "Prescription" means an order, formula, or recipe issued in any form of oral, written,
21 electronic, or other means of transmission by a duly licensed practitioner authorized by the laws
22 of the member state.

23 (i) "Delivery charges" means charges by the seller of personal property or services for
24 preparation and delivery to a location designated by the purchaser of personal property or services
25 including, but not limited to: transportation, shipping, postage, handling, crating, and packing.

26 "Delivery charges" shall not include the charges for delivery of "direct mail" if the
27 charges are separately stated on an invoice or similar billing document given to the purchaser.

28 (j) "Direct mail" means printed material delivered or distributed by United States mail or
29 other delivery service to a mass audience or to addressees on a mailing list provided by the
30 purchaser or at the direction of the purchaser when the cost of the items are not billed directly to
31 the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by
32 the purchaser to the direct mail seller for inclusion in the package containing the printed material.
33 "Direct mail" does not include multiple items of printed material delivered to a single address.

34 (k) "Durable medical equipment" means equipment including repair and replacement

1 parts for same which:

2 (i) Can withstand repeated use; and

3 (ii) Is primarily and customarily used to serve a medical purpose; and

4 (iii) Generally is not useful to a person in the absence of illness or injury; and

5 (iv) Is not worn in or on the body.

6 Durable medical equipment does not include mobility enhancing equipment.

7 (l) Food and related items.

8 (i) "Food and food ingredients" means substances, whether in liquid, concentrated, solid,
9 frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are
10 consumed for their taste or nutritional value. "Food and food ingredients" does not include
11 "alcoholic beverages", "tobacco", "candy", "dietary supplements", and "soft drinks."

12 (ii) "Prepared food" means:

13 (A) Food sold in a heated state or heated by the seller;

14 (B) Two (2) or more food ingredients mixed or combined by the seller for sale as a single
15 item; or

16 (C) Food sold with eating utensils provided by the seller, including: plates, knives, forks,
17 spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used
18 to transport the food.

19 "Prepared food" in (B) does not include food that is only cut, repackaged, or pasteurized
20 by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring
21 cooking by the consumer as recommended by the Food and Drug Administration in chapter 3,
22 part 401.11 of its Food Code so as to prevent food borne illnesses.

23 (iii) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners
24 in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars,
25 drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no
26 refrigeration.

27 (iv) "Soft drinks" means non-alcoholic beverages that contain natural or artificial
28 sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice,
29 or similar milk substitutes, or greater than fifty percent (50%) of vegetable or fruit juice by
30 volume.

31 (v) "Dietary supplement" means any product, other than "tobacco", intended to
32 supplement the diet that:

33 (A) Contains one or more of the following dietary ingredients:

34 1. A vitamin;

1 2. A mineral;

2 3. An herb or other botanical;

3 4. An amino acid;

4 5. A dietary substance for use by humans to supplement the diet by increasing the total

5 dietary intake; or

6 6. A concentrate, metabolite, constituent, extract, or combination of any ingredient

7 described above; and

8 (B) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or

9 if not intended for ingestion in such a form, is not represented as conventional food and is not

10 represented for use as a sole item of a meal or of the diet; and

11 (C) Is required to be labeled as a dietary supplement, identifiable by the "supplemental

12 facts" box found on the label and as required pursuant to 21 C.F.R. § 101.36.

13 (m) "Food sold through vending machines" means food dispensed from a machine or

14 other mechanical device that accepts payment.

15 (n) "Hotel" means every building or other structure kept, used, maintained, advertised as,

16 or held out to the public to be a place where living quarters are supplied for pay to transient or

17 permanent guests and tenants and includes a motel.

18 (i) "Living quarters" means sleeping rooms, sleeping or housekeeping accommodations,

19 or any other room or accommodation in any part of the hotel, rooming house, or tourist camp that

20 is available for or rented out for hire in the lodging of guests.

21 (ii) "Rooming house" means every house, boat, vehicle, motor court, or other structure

22 kept, used, maintained, advertised, or held out to the public to be a place where living quarters are

23 supplied for pay to transient or permanent guests or tenants, whether in one or adjoining

24 buildings.

25 (iii) "Tourist camp" means a place where tents or tent houses, or camp cottages, or cabins

26 or other structures are located and offered to the public or any segment thereof for human

27 habitation.

28 (o) "Lease or rental" means any transfer of possession or control of tangible personal

29 property for a fixed or indeterminate term for consideration. A lease or rental may include future

30 options to purchase or extend. Lease or rental does not include:

31 (i) A transfer of possession or control of property under a security agreement or deferred

32 payment plan that requires the transfer of title upon completion of the required payments;

33 (ii) A transfer of possession or control of property under an agreement that requires the

34 transfer of title upon completion of required payments and payment of an option price does not

1 exceed the greater of one hundred dollars (\$100) or one percent of the total required payments; or

2 (iii) Providing tangible personal property along with an operator for a fixed or

3 indeterminate period of time. A condition of this exclusion is that the operator is necessary for

4 the equipment to perform as designed. For the purpose of this subsection, an operator must do

5 more than maintain, inspect, or set-up the tangible personal property.

6 (iv) Lease or rental does include agreements covering motor vehicles and trailers where

7 the amount of consideration may be increased or decreased by reference to the amount realized

8 upon sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

9 (v) This definition shall be used for sales and use tax purposes regardless if a transaction

10 is characterized as a lease or rental under generally accepted accounting principles, the Internal

11 Revenue Code, the Uniform Commercial Code, or other provisions of federal, state, or local law.

12 (vi) This definition will be applied only prospectively from the date of adoption and will

13 have no retroactive impact on existing leases or rentals. This definition shall neither impact any

14 existing sale-leaseback exemption or exclusions that a state may have, nor preclude a state from

15 adopting a sale-leaseback exemption or exclusion after the effective date of the agreement.

16 (p) "Mobility enhancing equipment" means equipment, including repair and replacement

17 parts to same, that:

18 (i) Is primarily and customarily used to provide or increase the ability to move from one

19 place to another and that is appropriate for use either in a home or a motor vehicle; and

20 (ii) Is not generally used by persons with normal mobility; and

21 (iii) Does not include any motor vehicle or equipment on a motor vehicle normally

22 provided by a motor vehicle manufacturer.

23 Mobility enhancing equipment does not include durable medical equipment.

24 (q) "Model 1 Seller" means a seller that has selected a CSP as its agent to perform all the

25 seller's sales and use tax functions, other than the seller's obligation to remit tax on its own

26 purchases.

27 (r) "Model 2 Seller" means a seller that has selected a CAS to perform part of its sales

28 and use tax functions, but retains responsibility for remitting the tax.

29 (s) "Model 3 Seller" means a seller that has sales in at least five member states, has total

30 annual sales revenue of at least five hundred million dollars (\$500,000,000), has a proprietary

31 system that calculates the amount of tax due each jurisdiction, and has entered into a performance

32 agreement with the member states that establishes a tax performance standard for the seller. As

33 used in this definition, a seller includes an affiliated group of sellers using the same proprietary

34 system.

(t) "Prosthetic device" means a replacement, corrective, or supportive device including repair and replacement parts for same worn on or in the body to:

(i) Artificially replace a missing portion of the body;

(ii) Prevent or correct physical deformity or malfunction; or

(iii) Support a weak or deformed portion of the body.

(u) "Purchaser" means a person to whom a sale of personal property is made or to whom a service is furnished.

(v) "Purchase price" applies to the measure subject to use tax and has the same meaning as sales price.

(w) "Seller" means a person making sales, leases, or rentals of personal property or services.

(x) Specified Digital Products

(i) "Specified digital products" means electronically transferred:

(A) "Digital Audio-Visual Works" which means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any;

(B) "Digital Audio Works" which means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones, and/or;

(C) "Digital Books" which means works that are generally recognized in the ordinary and usual sense as "books".

(ii) For purposes of the definition of "digital audio works", "ringtones" means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication.

(iii) For purposes of the definitions of "specified digital products", "transferred electronically" means obtained by the purchaser by means other than tangible storage media.

~~(x)~~y "State" means any state of the United States and the District of Columbia.

~~(y)~~z "Telecommunications" tax base/exemption terms.

(i) Telecommunication terms shall be defined as follows:

(A) "Ancillary services" means services that are associated with or incidental to the provision of "telecommunications services", including, but not limited to, "detailed telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

(B) "Conference bridging service" means an "ancillary service" that links two (2) or more participants of an audio or video conference call and may include the provision of a telephone number. "Conference bridging service" does not include the "telecommunications services" used to reach the conference bridge.

1 (C) "Detailed telecommunications billing service" means an "ancillary service" of
2 separately stating information pertaining to individual calls on a customer's billing statement.

3 (D) "Directory assistance" means an "ancillary service" of providing telephone number
4 information, and/or address information.

5 (E) "Vertical service" means an "ancillary service" that is offered in connection with one
6 or more "telecommunications services", which offers advanced calling features that allow
7 customers to identify callers and to manage multiple calls and call connections, including
8 "conference bridging services".

9 (F) "Voice mail service" means an "ancillary service" that enables the customer to store,
10 send, or receive recorded messages. "Voice mail service" does not include any "vertical services"
11 that the customer may be required to have in order to utilize the "voice mail service".

12 (G) "Telecommunications service" means the electronic transmission, conveyance, or
13 routing of voice, data, audio, video, or any other information or signals to a point, or between or
14 among points. The term "telecommunications service" includes such transmission, conveyance,
15 or routing in which computer processing applications are used to act on the form, code, or
16 protocol of the content for purposes of transmission, conveyance, or routing without regard to
17 whether such service is referred to as voice over internet protocol services or is classified by the
18 Federal Communications Commission as enhanced or value added. "Telecommunications
19 service" does not include:

20 (1) Data processing and information services that allow data to be generated, acquired,
21 stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where
22 such purchaser's primary purpose for the underlying transaction is the processed data or
23 information;

24 (2) Installation or maintenance of wiring or equipment on a customer's premises;

25 (3) Tangible personal property;

26 (4) Advertising, including, but not limited to, directory advertising;

27 (5) Billing and collection services provided to third parties;

28 (6) Internet access service;

29 (7) Radio and television audio and video programming services, regardless of the
30 medium, including the furnishing of transmission, conveyance, and routing of such services by
31 the programming service provider. Radio and television audio and video programming services
32 shall include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and
33 video programming services delivered by commercial mobile radio service providers as defined
34 in 47 C.F.R. § 20.3;

1 (8) "Ancillary services"; or

2 (9) Digital products "delivered electronically", including, but not limited to: software,
3 music, video, reading materials, or ring tones.

4 (H) "800 service" means a "telecommunications service" that allows a caller to dial a toll-
5 free number without incurring a charge for the call. The service is typically marketed under the
6 name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers
7 designated by the Federal Communications Commission.

8 (I) "900 service" means an inbound toll "telecommunications service" purchased by a
9 subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded
10 announcement or live service. "900 service" does not include the charge for: collection services
11 provided by the seller of the "telecommunications services" to the subscriber, or service or
12 product sold by the subscriber to the subscriber's customer. The service is typically marketed
13 under the name "900 service," and any subsequent numbers designated by the Federal
14 Communications Commission.

15 (J) "Fixed wireless service" means a "telecommunications service" that provides radio
16 communication between fixed points.

17 (K) "Mobile wireless service" means a "telecommunications service" that is transmitted,
18 conveyed, or routed regardless of the technology used, whereby the origination and/or
19 termination points of the transmission, conveyance, or routing are not fixed, including, by way of
20 example only, "telecommunications services" that are provided by a commercial mobile radio
21 service provider.

22 (L) "Paging service" means a "telecommunications service" that provides transmission of
23 coded radio signals for the purpose of activating specific pagers; such transmissions may include
24 messages and/or sounds.

25 (M) "Prepaid calling service" means the right to access exclusively "telecommunications
26 services", which must be paid for in advance and that enables the origination of calls using an
27 access number or authorization code, whether manually or electronically dialed, and that is sold
28 in predetermined units or dollars of which the number declines with use in a known amount.

29 (N) "Prepaid wireless calling service" means a "telecommunications service" that
30 provides the right to utilize "mobile wireless service", as well as other non-telecommunications
31 services, including the download of digital products "delivered electronically", content and
32 "ancillary services" which must be paid for in advance that is sold in predetermined units of
33 dollars of which the number declines with use in a known amount.

34 (O) "Private communications service" means a telecommunications service that entitles

1 the customer to exclusive or priority use of a communications channel or group of channels
2 between or among termination points, regardless of the manner in which such channel or
3 channels are connected, and includes switching capacity, extension lines, stations, and any other
4 associated services that are provided in connection with the use of such channel or channels.

5 (P) "Value-added non-voice data service" means a service that otherwise meets the
6 definition of "telecommunications services" in which computer processing applications are used
7 to act on the form, content, code, or protocol of the information or data primarily for a purpose
8 other than transmission, conveyance, or routing.

9 (ii) "Modifiers of Sales Tax Base/Exemption Terms" -- the following terms can be used
10 to further delineate the type of "telecommunications service" to be taxed or exempted. The terms
11 would be used with the broader terms and subcategories delineated above.

12 (A) "Coin-operated telephone service" means a "telecommunications service" paid for by
13 inserting money into a telephone accepting direct deposits of money to operate.

14 (B) "International" means a "telecommunications service" that originates or terminates in
15 the United States and terminates or originates outside the United States, respectively. United
16 States includes the District of Columbia or a U.S. territory or possession.

17 (C) "Interstate" means a "telecommunications service" that originates in one United
18 States state, or a United States territory or possession, and terminates in a different United States
19 state or a United States territory or possession.

20 (D) "Intrastate" means a "telecommunications service" that originates in one United
21 States state or a United States territory or possession, and terminates in the same United States
22 state or a United States territory or possession.

23 (E) "Pay telephone service" means a "telecommunications service" provided through any
24 pay telephone.

25 (F) "Residential telecommunications service" means a "telecommunications service" or
26 "ancillary services" provided to an individual for personal use at a residential address, including
27 an individual dwelling unit such as an apartment. In the case of institutions where individuals
28 reside, such as schools or nursing homes, "telecommunications service" is considered residential
29 if it is provided to and paid for by an individual resident rather than the institution.

30 The terms "ancillary services" and "telecommunications service" are defined as a broad
31 range of services. The terms "ancillary services" and "telecommunications service" are broader
32 than the sum of the subcategories. Definitions of subcategories of "ancillary services" and
33 "telecommunications service" can be used by a member state alone or in combination with other
34 subcategories to define a narrower tax base than the definitions of "ancillary services" and

1 "telecommunications service" would imply. The subcategories can also be used by a member
2 state to provide exemptions for certain subcategories of the more broadly defined terms.

3 A member state that specifically imposes tax on, or exempts from tax, local telephone or
4 local telecommunications service may define "local service" in any manner in accordance with §
5 44-18.1-28, except as limited by other sections of this Agreement.

6 (~~z~~aa) "Tobacco" means cigarettes, cigars, chewing, or pipe tobacco, or any other item that
7 contains tobacco.

8 **44-18-7.3. Services defined.**

9 (a) "Services" means all activities engaged in for other persons for a fee, retainer,
10 commission, or other monetary charge, which activities involve the performance of a service in
11 this state as distinguished from selling property.

12 (b) "Service charges" means

13 (i) the amount paid for the right or privilege to have access to a place or location where
14 any of the services referenced below are provided; or

15 (ii) dues paid to any association, club, or organization regardless of the purpose for which
16 the dues are paid; and/or

17 (iii) any charges for privileges or facilities, or any initiation fees, defined as any payment,
18 contribution or loan required as a condition precedent to membership in any association, club or
19 organization that facilitate the provision of the services noted below above whether or not any
20 such payment, contribution or loan is evidenced by a certificate of interest or indebtedness or
21 share of stock.

22 (~~b~~c) The following businesses and services performed in this state, along with the
23 applicable ~~2007~~ 2017 North American Industrial Classification System (NAICS) codes, are
24 included, but not limited to in the definition of services and/or service charges:

25 (1) Taxicab and limousine services including but not limited to:

26 (i) Taxicab services including taxi dispatchers (485310); and

27 (ii) Limousine services (485320).

28 (2) Other road transportation service including but not limited to:

29 (i) Charter bus service (485510);

30 (ii) "Transportation network companies" (TNC) defined as an entity that uses a digital
31 network to connect transportation network company riders to transportation network operators
32 who provide prearranged rides. Any TNC operating in this state is a retailer as provided in § 44-
33 18-15 and is required to file a business application and registration form and obtain a permit to
34 make sales at retail with the tax administrator, to charge, collect, and remit Rhode Island sales

1 and use tax; and

2 (iii) All other transit and ground passenger transportation (485999).

3 (3) Pet care services (812910) except veterinary and testing laboratories services.

4 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in

5 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as

6 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the

7 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a

8 portion of the rental and other fees to the room reseller or reseller. Room reseller or reseller shall

9 include, but not be limited to, sellers of travel packages as defined in this section.

10 Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy

11 is done using a room reseller or reseller, the application of the sales and use tax under §§ 44-18-

12 18 and 44-18-20, and the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or

13 reseller is required to register with, and shall collect and pay to, the tax administrator the sales

14 and use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees

15 paid by the occupant to the room reseller or reseller, less the amount of any rental and other fees

16 paid by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax

17 administrator said taxes upon the amount of rental and other fees paid to the hotel by the room

18 reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator

19 against a hotel because of an incorrect remittance of the taxes under this chapter by a room

20 reseller or reseller. No assessment shall be made by the tax administrator against a room reseller

21 or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the

22 hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller,

23 as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said

24 taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and

25 room reseller or reseller shall add and collect, from the occupant or the room reseller or the

26 reseller, the full amount of the taxes imposed on the rental and other fees. When added to the

27 rental and other fees, the taxes shall be a debt owed by the occupant to the hotel or room reseller

28 or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The

29 amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant

30 under this chapter shall be stated and charged separately from the rental and other fees, and shall

31 be shown separately on all records thereof, whether made at the time the transfer of occupancy

32 occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the

33 reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of

34 tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the

1 occupant that the separately stated taxes charged by the room reseller or reseller include taxes
2 charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or
3 reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to §
4 44-19-1.

5 (ii) "Travel package" means a room, or rooms, bundled with one or more other, separate
6 components of travel such as air transportation, car rental, or similar items, which travel package
7 is charged to the customer or occupant for a single, retail price. When the room occupancy is
8 bundled for a single consideration, with other property, services, amusement charges, or any other
9 items, the separate sale of which would not otherwise be subject to tax under this chapter, the
10 entire single consideration shall be treated as the rental or other fees for room occupancy subject
11 to tax under this chapter; provided, however, that where the amount of the rental, or other fees for
12 room occupancy is stated separately from the price of such other property, services, amusement
13 charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant,
14 and such rental and other fees are determined by the tax administrator to be reasonable in relation
15 to the value of such other property, services, amusement charges, or other items, only such
16 separately stated rental and other fees will be subject to tax under this chapter. The value of the
17 transfer of any room, or rooms, bundled as part of a travel package may be determined by the tax
18 administrator from the room reseller's and/or reseller's and/or hotel's books and records that are
19 kept in the regular course of business.

20 (5) Investigation, Guard, and Armored Car Services (~~56161~~ [561611, 561612 & 561613](#)).

21 [\(6\) Hunting, Trapping, and Shooting Services \(114210 & 713990\).](#)

22 [\(i\) Exception: Special assessments, as a service charge, that are made for the construction](#)
23 [or reconstruction of any capital addition to any such facility are exempt from the sales and use tax](#)
24 [except that, in the case of any such amount which is not expended for such construction or](#)
25 [reconstruction within three years after the date of payment of the special assessment, the entity](#)
26 [that levied the special assessment, including any successors thereto, shall be liable for the sales](#)
27 [and use tax owed on the unexpended amount.](#)

28 [\(7\) Lobbying Services as defined in § 42-139.1-3\(a\)\(3\) \(541820\)](#)

29 [\(i\) Lobbying services do not include such activities when directed at the government of](#)
30 [the United States, another state of the United States other than Rhode Island, or political](#)
31 [subdivision of any other state, or another country.](#)

32 [\(8\) Interior Design Services \(541410\)](#)

33 [\(9\) Commercial Buildings Services \(561710, 561720, 561730, 561740, 561790\)](#)

34 [\(i\) "Residential, also referred to as residential unit or dwelling" means a room or rooms,](#)

1 including a condominium or a room or a dwelling unit that forms part of a single, joint or shared
2 tenant arrangement in any building, or portion thereof, which is designed, built, and leased to be
3 occupied for non-commercial use.

4 (ii) Any entity operating in this state, providing services to real property zoned for and
5 occupied by both residential and non-residential tenants, is a retailer as provided in §44-18-15
6 and is required to file a business application and registration form and obtain a permit to make
7 sales at retail with the tax administrator, and to charge, collect, and remit Rhode Island sales and
8 use tax on service charges if more than half of the square footage of the property is used for
9 commercial purposes.

10 (iii) Building and dwelling services provided to real property exclusively zoned for and
11 occupied solely by residential tenants, including home offices, shall be exempt from sales tax.

12 ~~(e)~~ All services as defined herein are required to file a business application and
13 registration form and obtain a permit to make sales at retail with the tax administrator, to charge,
14 collect, and remit Rhode Island sales and use tax.

15 ~~(d)~~ The tax administrator is authorized to promulgate rules and regulations in
16 accordance with the provisions of chapter 35 of title 42 to carry out the provisions, policies, and
17 purposes of this chapter.

18 **44-18-8. Retail sale or sale at retail defined.**

19 A "retail sale" or "sale at retail" means any sale, lease, or rentals of tangible personal
20 property, prewritten computer software delivered electronically or by load and leave, vendor-
21 hosted prewritten computer software, specified digital products, or services as defined in § 44-18-
22 7.3 for any purpose other than resale, sublease, or subrent in the regular course of business. The
23 sale of tangible personal property to be used for purposes of rental in the regular course of
24 business is considered to be a sale for resale. In regard to telecommunications service as defined
25 in § 44-18-7(9), retail sale does not include the purchase of telecommunications service by a
26 telecommunications provider from another telecommunication provider for resale to the ultimate
27 consumer; provided, that the purchaser submits to the seller a certificate attesting to the
28 applicability of this exclusion, upon receipt of which the seller is relieved of any tax liability for
29 the sale.

30 **44-18-15. "Retailer" defined.**

31 (a) "Retailer" includes:

32 (1) Every person engaged in the business of making sales at retail including prewritten
33 computer software delivered electronically or by load and leave, vendor-hosted prewritten
34 computer software, specified digital products, sales of services as defined in § 44-18-7.3, and

1 sales at auction of tangible personal property owned by the person or others.

2 (2) Every person making sales of tangible personal property including prewritten
3 computer software delivered electronically or by load and leave, or vendor-hosted prewritten
4 computer software [or specified digital products](#), or sales of services as defined in § 44-18-7.3,
5 through an independent contractor or other representative, if the retailer enters into an agreement
6 with a resident of this state, under which the resident, for a commission or other consideration,
7 directly or indirectly refers potential customers, whether by a link on an internet website or
8 otherwise, to the retailer, provided the cumulative gross receipts from sales by the retailer to
9 customers in the state who are referred to the retailer by all residents with this type of an
10 agreement with the retailer, is in excess of five thousand dollars (\$5,000) during the preceding
11 four (4) quarterly periods ending on the last day of March, June, September and December. Such
12 retailer shall be presumed to be soliciting business through such independent contractor or other
13 representative, which presumption may be rebutted by proof that the resident with whom the
14 retailer has an agreement did not engage in any solicitation in the state on behalf of the retailer
15 that would satisfy the nexus requirement of the United States Constitution during such four (4)
16 quarterly periods.

17 (3) Every person engaged in the business of making sales for storage, use, or other
18 consumption of: (i) tangible personal property, (ii) sales at auction of tangible personal property
19 owned by the person or others, (iii) prewritten computer software delivered electronically or by
20 load and leave, (iv) vendor-hosted prewritten computer software, [\(v\) specified digital products](#),
21 and ~~(vi)~~ services as defined in § 44-18-7.3.

22 (4) A person conducting a horse race meeting with respect to horses, which are claimed
23 during the meeting.

24 (5) Every person engaged in the business of renting any living quarters in any hotel as
25 defined in § 42-63.1-2, rooming house, or tourist camp.

26 (6) Every person maintaining a business within or outside of this state who engages in the
27 regular or systematic solicitation of sales of tangible personal property, prewritten computer
28 software delivered electronically or by load and leave, vendor-hosted prewritten computer
29 software, [and/or specified digital products in this State by means of:](#)

30 (i) Advertising in newspapers, magazines, and other periodicals published in this state,
31 sold over the counter in this state or sold by subscription to residents of this state, billboards
32 located in this state, airborne advertising messages produced or transported in the airspace above
33 this state, display cards and posters on common carriers or any other means of public conveyance
34 incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons,

1 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to
2 residents of this state;

3 (ii) Telephone;

4 (iii) Computer assisted shopping networks; and

5 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
6 consumers located in this state.

7 (b) When the tax administrator determines that it is necessary for the proper
8 administration of chapters 18 and 19 of this title to regard any salespersons, representatives,
9 truckers, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, employers,
10 or persons under whom they operate or from whom they obtain the tangible personal property
11 sold by them, irrespective of whether they are making sales on their own behalf or on behalf of
12 the dealers, distributors, supervisors, or employers, the tax administrator may so regard them and
13 may regard the dealers, distributors, supervisors, or employers as retailers for purposes of
14 chapters 18 and 19 of this title.

15 **44-18-15.2. "Remote seller" and "remote sale" defined -- Collection of sales and use**
16 **tax by remote seller.**

17 (a) As used in this section:

18 (1) "Remote seller" means ~~a person who makes remote sales in this state.~~ any seller, other
19 than a marketplace facilitator or referrer, who does not have a physical presence in this state and
20 makes retail sales to purchasers.

21 ~~(2) "Remote sale" means a sale into this state for which the seller would not legally be~~
22 ~~required to pay, collect, or remit state or local sales and use taxes unless provided by federal law.~~

23 (b) Upon passage of any federal law authorizing states to require remote sellers to collect
24 and remit sales and use taxes, this state will require a remote seller making remote sales in the
25 state to pay, collect, and remit sales and use taxes at the rate imposed under § 44-18-18, and in
26 accordance with the provisions of this article, chapters 18.1 and 19 of this title, and applicable
27 federal law.

28 **44-18-20. Use tax imposed.**

29 (a) An excise tax is imposed on the storage, use, or other consumption in this state of
30 tangible personal property; prewritten computer software delivered electronically or by load and
31 leave; vendor-hosted prewritten computer software; specified digital products; or services as
32 defined in § 44-18-7.3, including a motor vehicle, a boat, an airplane, or a trailer, purchased from
33 any retailer at the rate of six percent (6%) of the sale price of the property.

34 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a

1 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle
2 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent
3 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

4 (c) The word "trailer," as used in this section and in § 44-18-21, means and includes those
5 defined in § 31-1-5(a) -- (f) and also includes boat trailers, camping trailers, house trailers, and
6 mobile homes.

7 (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to
8 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in
9 any casual sale:

10 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child
11 of the transferor or seller;

12 (2) When the transfer or sale is made in connection with the organization, reorganization,
13 dissolution, or partial liquidation of a business entity, provided:

14 (i) The last taxable sale, transfer, or use of the article being transferred or sold was
15 subjected to a tax imposed by this chapter;

16 (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or
17 partner; and

18 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the
19 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

20 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type
21 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile
22 home; or

23 (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or
24 other general law of this state or special act of the general assembly of this state.

25 (e) The term "casual" means a sale made by a person other than a retailer, provided, that
26 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a
27 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed
28 under the provisions of subsections (a) and (b) of this section on the storage, use, or other
29 consumption in this state of a used motor vehicle less than the product obtained by multiplying
30 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable
31 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar
32 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the
33 retail dollar value as shown in the current issue of any nationally recognized, used-vehicle guide
34 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after

1 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this
2 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable
3 opportunity to be heard, re-determine the tax.

4 (f) Every person making more than five (5) retail sales of tangible personal property or
5 prewritten computer software delivered electronically or by load and leave, or vendor-hosted
6 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3
7 during any twelve-month (12) period, including sales made in the capacity of assignee for the
8 benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer within the
9 provisions of this chapter.

10 (g)(1) "Casual sale" includes a sale of tangible personal property not held or used by a
11 seller in the course of activities for which the seller is required to hold a seller's permit or permits
12 or would be required to hold a seller's permit or permits if the activities were conducted in this
13 state, provided that the sale is not one of a series of sales sufficient in number, scope, and
14 character (more than five (5) in any twelve-month (12) period) to constitute an activity for which
15 the seller is required to hold a seller's permit or would be required to hold a seller's permit if the
16 activity were conducted in this state.

17 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by
18 nonprofit organizations, that are organized for charitable, educational, civic, religious, social,
19 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)
20 days duration each calendar year. Each event requires the issuance of a permit by the division of
21 taxation. Where sales are made at events by a vendor that holds a sales tax permit and is not a
22 nonprofit organization, the sales are in the regular course of business and are not exempt as casual
23 sales.

24 (h) The use tax imposed under this section for the period commencing July 1, 1990, is at
25 the rate of seven percent (7%). In recognition of the work being performed by the streamlined
26 sales and use tax governing board, upon passage of any federal law that authorizes states to
27 require remote sellers to collect and remit sales and use taxes, effective the first (1st) day of the
28 first (1st) state fiscal quarter following the change, the rate imposed under § 44-18-18 shall be
29 reduced from seven percent (7.0%) to six and one-half percent (6.5%). The six and one- half
30 percent (6.5%) rate shall take effect on the date that the state requires remote sellers to collect and
31 remit sales and use taxes.

32 **44-18-21. Liability for use tax.**

33 (a) Every person storing, using, or consuming in this state tangible personal property,
34 including a motor vehicle, boat, airplane, or trailer, purchased from a retailer, and a motor

1 vehicle, boat, airplane, or trailer, purchased from other than a licensed motor vehicle dealer or
2 other than a retailer of boats, airplanes, or trailers respectively; or storing, using or consuming
3 specified prewritten computer software delivered electronically or by load and leave, or vendor-
4 hosted prewritten computer software, [or specified digital products](#), or services as defined in § 44-
5 18-7.3 is liable for the use tax. The person's liability is not extinguished until the tax has been
6 paid to this state, except that a receipt from a retailer engaging in business in this state or from a
7 retailer who is authorized by the tax administrator to collect the tax under rules and regulations
8 that he or she may prescribe, given to the purchaser pursuant to the provisions of § 44-18-22, is
9 sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

10 (b) Each person before obtaining an original or transferral registration for any article or
11 commodity in this state, which article or commodity is required to be licensed or registered in the
12 state, shall furnish satisfactory evidence to the tax administrator that any tax due under this
13 chapter with reference to the article or commodity has been paid, and for the purpose of effecting
14 compliance, the tax administrator, in addition to any other powers granted to him or her, may
15 invoke the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he
16 or she deems it to be for the convenience of the general public, may authorize any agency of the
17 state concerned with the licensing or registering of these articles or commodities to collect the use
18 tax on any articles or commodities which the purchaser is required by this chapter to pay before
19 receiving an original or transferral registration. The general assembly shall annually appropriate a
20 sum that it deems necessary to carry out the purposes of this section. Notwithstanding the
21 provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle
22 and/or recreational vehicle requiring registration by the administrator of the division of motor
23 vehicles shall not be added by the retailer to the sale price or charge but shall be paid directly by
24 the purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this
25 section.

26 (c) In cases involving total loss or destruction of a motor vehicle occurring within one
27 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the
28 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may
29 be credited against the amount of use tax on any subsequent vehicle which the owner acquires to
30 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

31 **44-18-22. Collection of use tax by retailer.**

32 Every retailer engaging in business in this state and making sales of tangible personal
33 property or prewritten computer software delivered electronically or by load and leave, or vendor-
34 hosted prewritten computer software, [or specified digital products](#), or services as defined in § 44-

1 18-7.3, for storage, use, or other consumption in this state, not exempted under this chapter shall,
2 at the time of making the sales, or if the storage, use, or other consumption of the tangible
3 personal property, prewritten computer software delivered electronically or by load and leave,
4 vendor-hosted prewritten computer software, [or specified digital products](#), or services as defined
5 in § 44-18-7.3, is not then taxable under this chapter, at the time the storage, use, or other
6 consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a
7 receipt in the manner and form prescribed by the tax administrator.

8 **44-18-23. "Engaging in business" defined.**

9 As used in §§ 44-18-21 and 44-18-22 the term "engaging in business in this state" means
10 the selling or delivering in this state, or any activity in this state related to the selling or delivering
11 in this state of tangible personal property or prewritten computer software delivered electronically
12 or by load and leave, or vendor-hosted prewritten computer software, [or specified digital](#)
13 [products](#), for storage, use, or other consumption in this state; or services as defined in § 44-18-7.3
14 in this state. This term includes, but is not limited to, the following acts or methods of transacting
15 business:

16 (1) Maintaining, occupying, or using in this state permanently or temporarily, directly or
17 indirectly or through a subsidiary, representative, or agent by whatever name called and whether
18 or not qualified to do business in this state, any office, place of distribution, sales or sample room
19 or place, warehouse or storage place, or other place of business;

20 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor
21 permanently or temporarily, and whether or not the subsidiary, representative, or agent is
22 qualified to do business in this state, operate in this state for the purpose of selling, delivering, or
23 the taking of orders for any tangible personal property, or prewritten computer software delivered
24 electronically or by load and leave, or vendor-hosted prewritten computer software, [or specified](#)
25 [digital products](#), or services as defined in § 44-18-7.3;

26 (3) The regular or systematic solicitation of sales of tangible personal property, or
27 prewritten computer software delivered electronically or by load and leave, or vendor-hosted
28 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3,
29 in this state by means of:

30 (i) Advertising in newspapers, magazines, and other periodicals published in this state,
31 sold over the counter in this state or sold by subscription to residents of this state, billboards
32 located in this state, airborne advertising messages produced or transported in the air space above
33 this state, display cards and posters on common carriers or any other means of public conveyance
34 incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons,

1 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to
2 residents of this state;

3 (ii) Telephone;

4 (iii) Computer-assisted shopping networks; and

5 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
6 consumers located in this state.

7 **44-18-25. Presumption that sale is for storage, use, or consumption -- Resale**
8 **certificate.**

9 It is presumed that all gross receipts are subject to the sales tax, and that the use of all
10 tangible personal property, or prewritten computer software delivered electronically or by load
11 and leave, or vendor-hosted prewritten computer software, [or specified digital products](#), or
12 services as defined in § 44-18-7.3, are subject to the use tax, and that all tangible personal
13 property, or prewritten computer software delivered electronically or by load and leave, or
14 vendor-hosted prewritten computer software, [or specified digital products](#), or services as defined
15 in § 44-18-7.3, sold or in processing or intended for delivery or delivered in this state is sold or
16 delivered for storage, use, or other consumption in this state, until the contrary is established to
17 the satisfaction of the tax administrator. The burden of proving the contrary is upon the person
18 who makes the sale and the purchaser, unless the person who makes the sale takes from the
19 purchaser a certificate to the effect that the purchase was for resale. The certificate shall contain
20 any information and be in the form that the tax administrator may require.

21 SECTION 10. Section 44-18-36.1 of the General Laws in Chapter 44-18 entitled "Sales
22 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

23 **44-18-36.1. Hotel tax.**

24 (a) There is imposed a hotel tax of ~~five percent (5%)~~ [six percent \(6%\)](#) upon the total
25 consideration charged for occupancy of any space furnished by any hotel, travel packages, or
26 room reseller or reseller as defined in § 44-18-7.3(b) in this state. A house, condominium, or
27 other resident dwelling shall be exempt from the ~~five percent (5%)~~ [six percent \(6%\)](#) hotel tax
28 under this subsection if the house, condominium, or other resident dwelling is rented in its
29 entirety. The hotel tax is in addition to any sales tax imposed. This hotel tax is administered and
30 collected by the division of taxation and unless provided to the contrary in this chapter, all the
31 administration, collection, and other provisions of chapters 18 and 19 of this title apply. Nothing
32 in this chapter shall be construed to limit the powers of the convention authority of the city of
33 Providence established pursuant to the provisions of chapter 84 of the public laws of 1980, except
34 that distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than

1 chapter 84 of the public laws of 1980.

2 (b) There is hereby levied and imposed, upon the total consideration charged for
3 occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees
4 now imposed by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be
5 administered and collected in accordance with subsection (a).

6 (c) All sums received by the division of taxation from the local hotel tax, penalties or
7 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid
8 by the state treasurer to the city or town where the space for occupancy that is furnished by the
9 hotel is located. Unless provided to the contrary in this chapter, all of the administration,
10 collection, and other provisions of chapters 18 and 19 of this title shall apply.

11 (d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport
12 shall have the authority to collect from hotels located in the city of Newport the tax imposed by
13 subsection (a) of this section.

14 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the
15 tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September
16 in each year in which the tax is collected, the city of Newport shall submit to the division of
17 taxation a report of the tax collected and distributed during the six (6) month period ending thirty
18 (30) days prior to the reporting date.

19 (2) The city of Newport shall have the same authority as the division of taxation to
20 recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty
21 and interest imposed by the city of Newport until collected constitutes a lien on the real property
22 of the taxpayer.

23 In recognition of the work being performed by the Streamlined Sales and Use Tax
24 Governing Board, upon any federal law which requires remote sellers to collect and remit taxes,
25 effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate
26 imposed under § 44-18-36.1(b) shall be one and one-half percent (1.5%).

27 SECTION 11. Effective upon passage unless otherwise specified herein, the title of
28 Chapter 44-18.2 of the General Laws entitled "Sales and Use Tax – Non-Collecting Retailers,
29 Referrers, and Retail Sale Facilitators Act" and Sections 44-18.2-2, 44-18.2-3, 44-18.2-4, 44-
30 18.2-5, and 44-18.2-6 of the General Laws in Chapter 44-18.2 entitled "Sales and Use Tax – Non-
31 Collecting Retailers, Referrers, and Retail Sale Facilitators Act" is hereby amended to read as
32 follows: are hereby amended to read as follows:

33 ~~CHAPTER 44-18.2~~

34 ~~Sales and Use Tax – Non-Collecting Retailers, Referrers, and Retail Sale Facilitators Act~~

1 CHAPTER 44-18.2
2 SALES AND USE TAXES – REMOTE SELLERS, REFERRERS, AND
3 MARKETPLACE FACILITATORS ACT

4 **44-18.2-2. Definitions.**

5 For the purposes of this chapter:

6 (1) "Division of taxation" means the Rhode Island department of revenue, division of
7 taxation. The division may also be referred to in this chapter as the "division of taxation", "tax
8 division", or "division."

9 (2) "In-state customer" means a person or persons who makes a purchase of tangible
10 personal property, prewritten computer software delivered electronically or by load and leave as
11 defined in § 44-18-7.1(g)(v), vendor-hosted prewritten computer software, specified digital
12 products, and/or taxable services as defined under § 44-18-1 et seq. for use, storage, and/or other
13 consumption in this state.

14 (3) "In-state software" means software used by in-state customers on their computers,
15 smartphones, and other electronic and/or communication devices, including information or
16 software such as cached files, cached software, or "cookies", or other data tracking tools, that are
17 stored on property in this state or distributed within this state, for the purpose of purchasing
18 tangible personal property, prewritten computer software delivered electronically or by load and
19 leave, vendor-hosted prewritten computer software, specified digital products, and/or taxable
20 services.

21 (4) "Marketplace" means a physical or electronic place including, but not limited to, a
22 store,

23 booth, Internet website, catalog, television or radio broadcast, or a dedicated sales
24 software application where tangible personal property, prewritten computer software delivered
25 electronically or by load and leave, vendor-hosted prewritten computer software, specified digital
26 products, and/or taxable services is/are sold or offered for sale for delivery in this state regardless
27 of whether the tangible personal property, prewritten computer software delivered electronically
28 or by load and leave, vendor-hosted prewritten computer software, or specified digital products
29 have a physical presence in the state.

30 (5) "Marketplace facilitator" means any person or persons that contracts or otherwise
31 agrees with a marketplace seller to facilitate for consideration, regardless of whether deducted as
32 fees from the transaction, the sale of the marketplace seller's products through a physical or
33 electronic marketplace operated by the person or persons, and engages:

34 (a) Directly or indirectly, through one or more affiliated persons in any of the following:

1 (i) Transmitting or otherwise communicating the offer or acceptance between the buyer
2 and seller;

3 (ii) Owning or operating the infrastructure, electronic or physical, or technology that
4 brings buyers and sellers together;

5 (iii) Providing a virtual currency that buyers are allowed or required to use to purchase
6 products from the seller; or

7 (iv) Software development or research and development activities related to any of the
8 activities described in (b) of this subsection (5), if such activities are directly related to a physical
9 or electronic marketplace operated by the person or an affiliated person; and

10 (b) In any of the following activities with respect to the seller's products:

11 (i) Payment processing services;

12 (ii) Fulfillment or storage services;

13 (iii) Listing products for sale;

14 (iv) Setting prices;

15 (v) Branding sales as those of the marketplace facilitator;

16 (vi) Order taking;

17 (vii) Advertising or promotion; or

18 (viii) Providing customer service or accepting or assisting with returns or exchanges.

19 (6) "Marketplace seller" means a person, not a related party to a marketplace facilitator,
20 who has an agreement with a marketplace facilitator and makes retail sales of tangible personal
21 property, prewritten computer software delivered electronically or by load and leave, vendor-
22 hosted prewritten computer software, specified digital products, and/or taxable services through a
23 marketplace owned, operated, or controlled by a marketplace facilitator, whether or not such
24 person is required to register to collect and remit sales tax.

25 (47) "Non-collecting retailer" means any person or persons who meets at least one of the
26 following criteria:

27 (A) Uses in-state software to make sales at retail of tangible personal property, prewritten
28 computer software delivered electronically or by load and leave, and/or taxable services; or

29 (B) Sells, leases, or delivers in this state, or participates in any activity in this state in
30 connection with the selling, leasing, or delivering in this state, of tangible personal property,
31 prewritten computer software delivered electronically or by load and leave, and/or taxable
32 services for use, storage, distribution, or consumption within this state. This includes, but shall
33 not be limited to, any of the following acts or methods of transacting business:

34 (i) Engaging in, either directly or indirectly through a referrer, retail sale facilitator, or

1 other third party, direct response marketing targeted at in-state customers. For purposes of this
2 subsection, direct response marketing includes, but is not limited to, sending, transmitting, or
3 broadcasting via flyers, newsletters, telephone calls, targeted electronic mail, text messages,
4 social media messages, targeted mailings; collecting, analyzing and utilizing individual data on
5 in-state customers; using information or software, including cached files, cached software, or
6 "cookies", or other data tracking tools, that are stored on property in or distributed within this
7 state; or taking any other action(s) that use persons, tangible property, intangible property, digital
8 files or information, or software in this state in an effort to enhance the probability that the
9 person's contacts with a potential in-state customer will result in a sale to that in-state customer;

10 (ii) Entering into one or more agreements under which a person or persons who has
11 physical presence in this state refers, either directly or indirectly, potential in-state customers of
12 tangible personal property, prewritten computer software delivered electronically or by load and
13 leave, and/or taxable services to the non-collecting retailer for a fee, commission, or other
14 consideration whether by an internet-based link or an internet website, or otherwise. An
15 agreement under which a non-collecting retailer purchases advertisements from a person or
16 persons in this state to be delivered in this state on television, radio, in print, on the internet or by
17 any other medium in this state, shall not be considered an agreement under this subsection (ii),
18 unless the advertisement revenue or a portion thereof paid to the person or persons in this state
19 consists of a fee, commission, or other consideration that is based in whole or in part upon sales
20 of tangible personal property, prewritten computer software delivered electronically or by load
21 and leave, and/or taxable services; or

22 (iii) Using a retail sale facilitator to sell, lease, or deliver in this state, or participate in any
23 activity in this state in connection with the selling, leasing, or delivering in this state, of tangible
24 personal property, prewritten computer software delivered electronically or by load and leave,
25 and/or taxable services for use, storage, or consumption in this state.

26 (C) Uses a sales process that includes listing, branding, or selling tangible personal
27 property, prewritten computer software delivered electronically or by load and leave, and/or
28 taxable services for sale, soliciting, processing orders, fulfilling orders, providing customer
29 service and/or accepting or assisting with returns or exchanges occurring in this state, regardless
30 of whether that part of the process has been subcontracted to an affiliate or third party. The sales
31 process for which the in-state customer is charged not more than the basic charge for shipping
32 and handling as used in this subsection shall not include shipping via a common carrier or the
33 United States mail;

34 (D) Offers its tangible personal property, prewritten computer software delivered

electronically or by load and leave, and/or taxable services for sale through one or more retail sale facilitators that has physical presence in this state;

(E) Is related to a person that has physical presence in this state, and such related person with a physical presence in this state:

(i) Sells tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services that are the same or substantially similar to that sold by a non-collecting retailer under a business name that is the same or substantially similar to that of the non-collecting retailer;

(ii) Maintains an office, distribution facility, salesroom, warehouse, storage place, or other similar place of business in this state to facilitate the delivery of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services sold by the non-collecting retailer;

(iii) Uses, with consent or knowledge of the non-collecting retailer, trademarks, service marks, or trade names in this state that are the same or substantially similar to those used by the non-collecting retailer;

(iv) Delivers or has delivered (except for delivery by common carrier or United States mail for which the in-state customer is charged not more than the basic charge for shipping and handling), installs, or assembles tangible personal property in this state, or performs maintenance or repair services on tangible personal property in this state, which tangible personal property is sold to in-state customers by the non-collecting retailer;

(v) Facilitates the delivery of tangible personal property purchased from a non-collecting retailer but delivered in this state by allowing an in-state customer to pick up the tangible personal property at an office distribution facility, salesroom, warehouse, storage place, or other similar place of business maintained in this state; or

(vi) Shares management, business systems, business practices, computer resources, communication systems, payroll, personnel, or other such business resources and activities with the non-collecting retailer, and/or engages in intercompany transactions with the non-collecting retailer, either or both of which relate to the activities that establish or maintain the non-collecting retailer's market in this state.

(F) Any person or persons who meets at least one of the criteria in subsections (47)(A) -- (47)(E) above shall be presumed to be a non-collecting retailer.

(G) The term “non-collecting retailer” will no longer apply to any entity that meets the definition of this subsection on or after July 1, 2019, at which time such entity shall be classified as a “remote seller” as referenced in R.I. Gen. Laws § 44-18-15.2.

1 (58) "Person" means person as defined in § 44-18-6.

2 (69) "Referrer" means every person who:

3 (A) Contracts or otherwise agrees with a retailer to list and/or advertise for sale in this
4 state tangible personal property, prewritten computer software delivered electronically or by load
5 and leave, vendor-hosted prewritten computer software, specified digital products, and/or taxable
6 services in any forum, including, but not limited to, a catalog or internet website;

7 (B) Receives a fee, commission, and/or other consideration from a retailer for the listing
8 and/or advertisement;

9 (C) Transfers, via in-state software, internet link, or otherwise, an in-state customer to the
10 retailer or the retailer's employee, affiliate, or website to complete a purchase; and

11 (D) Does not collect payments from the in-state customer for the transaction.

12 (E) A person or persons who engages in the activity set forth in all of the activities set
13 forth in subsections (69)(A) -- (69)(D) above shall be presumed to be a referrer.

14 (710) "Related" means:

15 (A) Having a relationship with the non-collecting retailer within the meaning of the
16 internal revenue code of 1986 as amended; or

17 (B) Having one or more ownership relationships and a purpose of having the ownership
18 relationship is to avoid the application of this chapter.

19 (811) A "retail sale" or "sale at retail" means any retail sale or sale at retail as defined in §
20 44-18-8.

21 (912) "Retail sale facilitator" means any person or persons that facilitates a sale by a
22 retailer by engaging in the following types of activities:

23 (A) Using in-state software to make sales at retail of tangible personal property,
24 prewritten computer software delivered electronically or by load and leave, and/or taxable
25 services; or

26 (B) Contracting or otherwise agreeing with a retailer to list and/or advertise for sale
27 tangible personal property, prewritten computer software delivered electronically or by load and
28 leave, and/or taxable services in any forum, including, but not limited to, a catalog or internet
29 website; and

30 (C) Either directly or indirectly through agreements or arrangements with third parties,
31 collecting payments from the in-state customer and transmitting those payments to a retailer. A
32 person or persons may be a retail sale facilitator regardless of whether they deduct any fees from
33 the transaction. The division may define in regulation circumstances under which a retail sale
34 facilitator shall be deemed to facilitate a retail sale.

(D) A person or persons who engages in the type of activity set forth in subsection (912)(A) above or both of the types of activities set forth in subsections (912)(B) and (912)(C) above shall be presumed to be a retail sale facilitator.

(E) The term “retail sale facilitator” will no longer apply to any entity that meets the definition of this subsection on or after July 1, 2019, at which time such entity shall be classified as a “marketplace facilitator” as referenced above in R.I. Gen. Laws § 44-18.2-2(5).

(139) A "retailer" means retailer as defined in § 44-18-15.

(14) “Specified digital products” refers to the same term as defined in R.I. Gen. Laws § 44-18-7.1(x) effective July 1, 2019.

(154) "State" means the State of Rhode Island and Providence Plantations.

(162) "Streamlined agreement" means the Streamlined Sales and Use Tax Agreement as referenced in § 44-18.1-1 et seq.

(17) “Vendor-hosted prewritten computer software” refers to the same term as defined in R.I. Gen. Laws § 44-18-7.1(g)(vii) effective October 1, 2018.

44-18.2-3. Requirements for non-collecting retailers, referrers, and retail sale facilitators.

(A) Except as otherwise provided below in § 44-18.2-4, beginning on the later of July 15, 2017, or two (2) weeks after the enactment of this chapter, and for each tax year thereafter prior to July 1, 2019, or the effective date of the amendment of this chapter, any non-collecting retailer, referrer, or retail sale facilitator, as defined in this chapter, that in the immediately preceding calendar year either:

(i) Has gross revenue from the sale of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or has taxable services delivered into this state equal to or exceeding one hundred thousand dollars (\$100,000); or

(ii) Has sold tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services for delivery into this state in two hundred (200) or more separate transactions shall comply with the requirements in subsections (EF), (FG), and (GH) as applicable.

(B) A non-collecting retailer, as defined in this chapter, shall comply with subsection (EF) below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

(C) A referrer, as defined in this chapter, shall comply with subsection (FG) below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

(D) A retail sale facilitator, as defined in this chapter, shall comply with subsection (GH) below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

1 (E) Any noncollecting retailer, retail sale facilitator, and/or referrer that is collecting and
2 remitting sales tax into this state prior to the enactment of this amended chapter, date to be
3 inserted after enactment, shall be deemed a remote seller and/or a marketplace seller and/or
4 marketplace facilitator and/or referrer upon amendment of this chapter and shall continue to
5 collect and remit sales tax. Beginning on ninety (90) days after the enactment of this amended
6 chapter, date to be inserted after enactment, any remote seller, marketplace seller, marketplace
7 facilitator, and/or referrer, as defined in this chapter, who is not collecting and remitting sales tax
8 shall comply with the requirements in subsection (I) if that remote seller, marketplace seller,
9 marketplace facilitator, and/or referrer, as defined in this chapter has not been collecting or
10 remitting sales tax in this state and, in the immediately preceding calendar year either:

11 (i) Has gross revenue from the sale of tangible personal property, prewritten computer
12 software delivered electronically or by load and leave, vendor-hosted prewritten computer
13 software, specified digital products, and/or has taxable services delivered into this state equal to
14 or exceeding one hundred thousand dollars (\$100,000); or

15 (ii) Has sold tangible personal property, prewritten computer software delivered
16 electronically or by load and leave, vendor-hosted prewritten computer software, specified digital
17 products, and/or taxable services for delivery into this state in two hundred (200) or more separate
18 transactions shall comply with the requirements in subsection (I).

19 ~~(E)~~ Non-collecting retailer. A non-collecting retailer shall either register in this state for
20 a permit to make sales at retail and collect and remit sales and use tax on all taxable sales into the
21 state or:

22 (1) Post a conspicuous notice on its website that informs in-state customers that sales or
23 use tax is due on certain purchases made from the non-collecting retailer and that this state
24 requires the in-state customer to file a sales or use tax return;

25 (2) At the time of purchase, notify in-state customers that sales or use tax is due on
26 taxable purchases made from the non-collecting retailer and that the state of Rhode Island
27 requires the in-state customer to file a sales or use tax return;

28 (3) Within forty-eight (48) hours of the time of purchase, notify in-state customers in
29 writing that sales or use tax is due on taxable purchases made from the non-collecting retailer and
30 that this state requires the in-state customer to file a sales or use tax return reflecting said
31 purchase;

32 (4) On or before January 31 of each year, including January 31, 2018, for purchases made
33 in calendar year 2017, send a written notice to all in-state customers who have cumulative annual
34 taxable purchases from the non-collecting retailer totaling one hundred dollars (\$100) or more for

1 the prior calendar year. The notification shall show the name of the non-collecting retailer, the
2 total amount paid by the in-state customer to the non-collecting retailer in the previous calendar
3 year, and, if available, the dates of purchases, the dollar amount of each purchase, and the
4 category or type of the purchase, including, whether the purchase is exempt or not exempt from
5 taxation in Rhode Island. The notification shall include such other information as the division
6 may require by rule and regulation. The notification shall state that the state of Rhode Island
7 requires a sales or use tax return to be filed and sales or use tax to be paid on certain categories or
8 types of purchases made by the in-state customer from the non-collecting retailer. The
9 notification shall be sent separately to all in-state customers by first-class mail and shall not be
10 included with any other shipments or mailings. The notification shall include the words
11 "Important Tax Document Enclosed" on the exterior of the mailing; and

12 (5) Beginning on February 15, 2018, and not later than each February 15 thereafter, a
13 non-collecting retailer that has not registered in this state for a permit to make sales at retail and
14 collect and remit sales and use tax on all taxable sales into the state for any portion of the prior
15 calendar year, shall file with the division on such form and/or in such format as the division
16 prescribes an attestation that the non-collecting retailer has complied with the requirements of
17 subsections ~~(EF)~~(1) – ~~(EF)~~(4) herein.

18 ~~(GF)~~ Referrer. At such time during any calendar year, or any portion thereof, that a
19 referrer receives more than ten thousand dollars (\$10,000) from fees, commissions, and/or other
20 compensation paid to it by retailers with whom it has a contract or agreement to list and/or
21 advertise for sale tangible personal property, prewritten computer software delivered
22 electronically or by load and leave, and/or taxable services, said referrer shall within thirty (30)
23 days provide written notice to all such retailers that the retailers' sales may be subject to this
24 state's sales and use tax.

25 ~~(GH)~~ Retail sale facilitator. Beginning January 15, 2018, and each year thereafter, a retail
26 sale facilitator shall provide the division of taxation with:

27 (i) A list of names and addresses of the retailers for whom during the prior calendar year
28 the retail sale facilitator collected Rhode Island sales and use tax; and

29 (ii) A list of names and addresses of the retailers who during the prior calendar year used
30 the retail sale facilitator to serve in-state customers but for whom the retail sale facilitator did not
31 collect Rhode Island sales and use tax.

32 (I) Remote sellers, referrers, and marketplace facilitators. A remote seller, referrer, and
33 marketplace facilitator shall register in this state for a permit to make sales at retail and collect
34 and remit sales and use tax on all taxable sales into the state.

1 (i) A marketplace facilitator shall collect sales and use tax on all sales made through the
2 marketplace to purchasers in this state whether or not the marketplace seller (1) has or is required
3 to have a permit to make sales at retail or (2) would have been required to collect and remit sales
4 and use tax had the sale not been made through the marketplace provider.

5 (ii) A marketplace facilitator shall certify to its marketplace sellers that it will collect and
6 remit sales and use tax on sales of taxable items made through the marketplace. A marketplace
7 seller that accepts a marketplace provider's collection certificate in good faith may exclude sales
8 made through the marketplace from the marketplace seller's returns under Chapters 18 and 19 of
9 Title 44 of the Rhode Island General Laws.

10 (iii) A marketplace facilitator with respect to a sale of tangible personal property it
11 facilitates:

12 (A) shall have all the obligations and rights of a retailer under Chapters 18 and 19 of Title
13 44 of the Rhode Island General Laws and under any regulations adopted pursuant thereto,
14 including, but not limited to, the duty to obtain a certificate of authority, to collect tax, file
15 returns, remit tax, and the right to accept a certificate or other documentation from a customer
16 substantiating an exemption or exclusion from tax, the right to receive a refund or credit allowed
17 by law; and (B) shall keep such records and information and cooperate with the tax administrator
18 to ensure the proper collection and remittance of tax imposed, collected, or required to be
19 collected under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws.

20 (iv) A marketplace facilitator shall be subject to audit by the tax administrator with
21 respect to all retail sales for which it is required to collect and pay the tax imposed under Chapters
22 18 and 19 of Title 44 of the Rhode Island General Laws. Where the tax administrator audits the
23 marketplace facilitator, the tax administrator is prohibited from auditing the marketplace seller for
24 the same retail sales unless the marketplace facilitator seeks relief under this subsection (iv).

25 (v) If the marketplace facilitator demonstrates to the tax administrator's satisfaction that
26 the marketplace facilitator has made a reasonable effort to obtain accurate information from the
27 marketplace seller about a retail sale and that the failure to collect and pay the correct amount of
28 tax imposed under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws was due to
29 incorrect information provided to the marketplace facilitator by the marketplace seller, then the
30 marketplace facilitator shall be relieved of liability of the tax for that retail sale. This subsection
31 (v) does not apply with regard to a retail sale for which the marketplace facilitator is the seller or
32 if the marketplace facilitator and seller are affiliates. Where the marketplace facilitator is relieved
33 under this subsection (v), the seller is liable for the tax imposed under Chapters 18 and 19 of Title
34 44 of the Rhode Island General Laws.

1 (vi) A class action may not be brought against a marketplace facilitator on behalf of
2 purchasers arising from or in any way related to an overpayment of sales or use tax collected by
3 the marketplace facilitator, regardless of whether such action is characterized as a tax refund
4 claim. Nothing in this subsection (vi) shall affect a purchaser's right to seek a refund as otherwise
5 allowed by law.

6 (HJ) Any person or entity that engages in any activity or activities of a non-collecting
7 retailer, referrer, and/or retail sale facilitator as defined herein shall be presumed to be a non-
8 collecting retailer, referrer, and/or retail sale facilitator as applicable even if referred to by another
9 name or designation. Said person or entity shall be subject to the terms and conditions set forth in
10 this chapter.

11 **44-18.2-4. Exceptions for referrers and retail sale facilitators.**

12 (A)(i) Notwithstanding the provisions of § 44-18.2-3, no retail sale facilitator shall be
13 required to comply with the provisions of § 44-18.2-3(GH), for any sale where the retail sale
14 facilitator within ninety (90) days of the date of the sale has been provided either:

15 (1) A copy of the retailer's Rhode Island sales tax permit to make sales at retail in this
16 state or its resale certificate as applicable; or

17 (2) Evidence of a fully completed Rhode Island or Streamlined agreement sales and use
18 tax exemption certificate.

19 (ii) Notwithstanding the provisions of § 44-18.2-3, no referrer shall be required to comply
20 with the provisions of § 44-18.2-3(FG) for any referral where the referrer within ninety (90) days
21 of the date of the sale has been provided either:

22 (1) A copy of the retailer's Rhode Island sales tax permit to make sales at retail in this
23 state or its resale certificate as applicable; or

24 (2) Evidence of a fully completed Rhode Island or Streamlined agreement sales and use
25 tax exemption certificate.

26 (B) Nothing in this section shall be construed to interfere with the ability of a non-
27 collecting retailer, referrer, or retail sale facilitator and a retailer to enter into agreements with
28 each other; provided, however, the terms of said agreements shall not in any way be inconsistent
29 with or contravene the requirements of this chapter.

30 (C) The provisions of subsections (A) and (B) herein will not be applicable as of July 1,
31 2019 or the effective date of the amendment of this chapter.

32 **44-18.2-5. Penalties.**

33 Prior to the effective date of the enactment of the amendment of this chapter, date to be
34 inserted upon enactment, Aany non-collecting retailer, referrer, or retail sale facilitator that fails

1 to comply with any of the requirements of this chapter shall be subject to a penalty of ten dollars
2 (\$10.00) for each such failure, but not ~~more~~less than a total penalty of ten thousand dollars
3 (\$10,000) per calendar year. As of July 1, 2019, or prior to the effective date of the enactment of
4 the amendment of this chapter, date to be inserted upon enactment, any remote seller, referrer, or
5 marketplace facilitator that fails to comply with any of the requirements of this chapter shall be
6 subject to a penalty of ten dollars (\$10.00) for each such failure, but not less than a total penalty
7 of ten thousand dollars (\$10,000) per calendar year. Each instance of failing to comply with the
8 requirements of this chapter shall constitute a separate violation for purposes of calculating the
9 penalty under this section. This penalty shall be in addition to any other applicable penalties
10 under title 44.

11 **44-18.2-6. Other obligations.**

12 (A) Nothing in this section affects the obligation of any in-state customer to remit use tax
13 as to any applicable transaction in which the seller, non-collecting retailer, or retail sale
14 facilitator, remote seller, marketplace seller, marketplace facilitator or referrer has not collected
15 and remitted the sales tax for said transaction.

16 (B) Nothing in this chapter shall be construed as relieving any other person or entity
17 otherwise required to collect and remit sales and use tax under applicable Rhode Island law from
18 continuing to do so.

19 (C) In the event that any section of this chapter is later determined to be unlawful, no
20 person, persons, or entity shall have a cause of action against the person that collected and
21 remitted the sales and use tax pursuant to this chapter.

22 SECTION 12. Effective October 1, 2019, Section 44-19-7 of the General Laws in
23 Chapter 44-19 entitled "Sales and Use Taxes - Enforcement and Collection" is hereby amended to
24 read as follows:

25 **44-19-7. Registration of retailers.**

26 Every retailer selling tangible personal property or prewritten computer software
27 delivered electronically or by load and leave or vendor-hosted prewritten computer software or
28 specified digital products for storage, use, or other consumption in this state, as well as services
29 as defined in § 44-18-7.3, in this state, or renting living quarters in any hotel as defined in § 42-
30 63.1-2, rooming house, or tourist camp in this state must register with the tax administrator and
31 give the name and address of all agents operating in this state, the location of all distribution or
32 sales houses or offices, or of any hotel as defined in § 42-63.1-2, rooming house, or tourist camp
33 or other places of business in this state, and other information that the tax administrator may
34 require.

SECTION 13. The title and Sections 44-20-1, 44-20-2, 44-20-3, 44-20-4, 44-20-5, and 44-20-8.2 of the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax" are hereby amended to read as follows:

CHAPTER 20

CIGARETTE, OTHER TOBACCO PRODUCTS, [AND E-LIQUID PRODUCTS TAX](#)

44-20-1. Definitions.

Whenever used in this chapter, unless the context requires otherwise:

(1) "Administrator" means the tax administrator;

(2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form, and each sheet of cigarette rolling paper, including but not limited to, paper made into a hollow cylinder or cone, made with paper or any other material, with or without a filter suitable for use in making cigarettes;

(3) "Dealer" means any person whether located within or outside of this state, who sells or distributes cigarettes [and/or other tobacco products](#) and/or electronic nicotine-delivery system products to a consumer in this state;

[\(4\) "E-liquid" and "e-liquid products" mean: any liquid or substance placed in or sold for use in an electronic nicotine-delivery system which generally utilizes a heating element that vaporizes or combusts a liquid or other substance containing nicotine or nicotine derivative:](#)

[\(a\) whether the liquid or substance contains nicotine or a nicotine derivative; or,](#)

[\(b\) whether sold separately or sold in combination with a personal vaporizer, electronic nicotine delivery system or an electronic inhaler.](#)

[\(5\) "Electronic nicotine-delivery system products" means an electronic device that may be used to simulate smoking in the delivery of nicotine or other substance to a person inhaling from the device, and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, or e-liquid, or any related device or any cartridge or other component of such device. Electronic nicotine-delivery system products shall not include Hemp-derived consumable CBD products as defined in 44-49.1-2.](#)

~~(4)~~ (6) "Distributor" means any person:

(A) Whether located within or outside of this state, other than a dealer, who sells or distributes cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system products](#) within or into this state. Such term shall not include any cigarette or other tobacco product manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. § 5712, if such person sells or distributes cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system products](#) in this state only to licensed distributors, or to an

1 export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. § 5712;

2 (B) Selling cigarettes and/or other tobacco products [and/or electronic nicotine-delivery](#)

3 [system products](#) directly to consumers in this state by means of at least twenty-five (25) vending

4 machines;

5 (C) Engaged in this state in the business of manufacturing cigarettes and/or other tobacco

6 products [and/or electronic nicotine-delivery system products and/or](#) any person engaged in the

7 business of selling cigarettes and/or other tobacco products [and/or electronic nicotine-delivery](#)

8 [system products](#) to dealers, or to other persons, for the purpose of resale only; provided, that

9 seventy-five percent (75%) of all cigarettes and/or other tobacco products [and/or electronic](#)

10 [nicotine-delivery system products](#) sold by that person in this state are sold to dealers or other

11 persons for resale and selling cigarettes and/or other tobacco products [and/or electronic nicotine-](#)

12 [delivery system products](#) directly to at least forty (40) dealers or other persons for resale; or

13 (D) Maintaining one or more regular places of business in this state for that purpose;

14 provided, that seventy-five percent (75%) of the sold cigarettes and/or other tobacco products

15 [and/or electronic nicotine-delivery system products](#) are purchased directly from the manufacturer

16 and selling cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)

17 [products](#) directly to at least forty (40) dealers or other persons for resale;

18 ~~(57)~~ "Importer" means any person who imports into the United States, either directly or

19 indirectly, a finished cigarette or other tobacco product [and/or electronic nicotine-delivery system](#)

20 [product](#) for sale or distribution;

21 ~~(68)~~ "Licensed", when used with reference to a manufacturer, importer, distributor or

22 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for

23 the type of business being engaged in. When the term "licensed" is used before a list of entities,

24 such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be

25 deemed to apply to each entity in such list;

26 ~~(79)~~ "Manufacturer" means any person who manufactures, fabricates, assembles,

27 processes, or labels a finished cigarette and/or other tobacco products [and/or electronic nicotine-](#)

28 [delivery system products](#);

29 ~~(810)~~ "Other tobacco products" (OTP) means any cigars (excluding Little Cigars, as

30 defined in § 44-20.2-1, which are subject to cigarette tax), cheroots, stogies, smoking tobacco

31 (including granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco

32 suitable for smoking in a pipe or otherwise), chewing tobacco (including Cavendish, twist, plug,

33 scrap and any other kinds and forms of tobacco suitable for chewing), any and all forms of

34 hookah, shisha and "mu'assel" tobacco, snuff, and shall include any other articles or products

1 made of or containing tobacco, in whole or in part, or any tobacco substitute, except cigarettes;

2 (911) "Person" means any individual, including an employee or agent, firm, fiduciary,

3 partnership, corporation, trust, or association, however formed;

4 (1012) "Pipe" means an apparatus made of any material used to burn or vaporize products

5 so that the smoke or vapors can be inhaled or ingested by the user;

6 (1113) "Place of business" means any location where cigarettes and/or other tobacco

7 products [and/or electronic nicotine-delivery system products](#) are sold, stored, or kept, including,

8 but not limited to; any storage room, attic, basement, garage or other facility immediately

9 adjacent to the location. It also includes any receptacle, hide, vessel, vehicle, airplane, train, or

10 vending machine;

11 (1214) "Sale" or "sell" means gifts, exchanges, and barter of cigarettes and/or other

12 tobacco products [and/or electronic nicotine-delivery system products](#). The act of holding, storing,

13 or keeping cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)

14 [products](#) at a place of business for any purpose shall be presumed to be holding the cigarettes

15 and/or other tobacco products [and/or electronic nicotine-delivery system products](#) for sale.

16 Furthermore, any sale of cigarettes and/or other tobacco products [and/or electronic nicotine-](#)

17 [delivery system products](#) by the servants, employees, or agents of the licensed dealer during

18 business hours at the place of business shall be presumed to be a sale by the licensee;

19 (1315) "Stamp" means the impression, device, stamp, label, or print manufactured,

20 printed, or made as prescribed by the administrator to be affixed to packages of cigarettes, as

21 evidence of the payment of the tax provided by this chapter or to indicate that the cigarettes are

22 intended for a sale or distribution in this state that is exempt from state tax under the provisions of

23 state law; and also includes impressions made by metering machines authorized to be used under

24 the provisions of this chapter.

25 **44-20-2. Importer, distributor, and dealer licenses required -- Licenses required.**

26 Each person engaging in the business of selling cigarette and/or any tobacco products

27 [and/or any electronic nicotine-delivery system products](#) in this state, including any distributor or

28 dealer, shall secure a license from the administrator before engaging in that business, or

29 continuing to engage in it. A separate application and license is required for each place of

30 business operated by a distributor or dealer; provided, that an operator of vending machines for

31 cigarette products is not required to obtain a distributor's license for each machine. If the

32 applicant for a license does not have a place of business in this state, the license shall be issued

33 for such applicant's principal place of business, wherever located. A licensee shall notify the

34 administrator within thirty (30) days in the event that it changes its principal place of business. A

1 separate license is required for each class of business if the applicant is engaged in more than one
2 of the activities required to be licensed by this section. No person shall maintain or operate or
3 cause to be operated a vending machine for cigarette products without procuring a dealer's license
4 for each machine.

5 **44-20-3. Penalties for unlicensed business.**

6 Any distributor or dealer who sells, offers for sale, or possesses with intent to sell,
7 cigarettes and/or any other tobacco products [and/or any electronic nicotine-delivery system](#)
8 [products](#) without a license as provided in § 44-20-2, shall be guilty of a misdemeanor, and shall
9 be fined not more than ten thousand dollars (\$10,000) for each offense, or be imprisoned for a
10 term not to exceed one (1) year, or be punished by both a fine and imprisonment. [Any electronic](#)
11 [nicotine-delivery system products distributor or dealer licensed by the Department of Health](#)
12 [pursuant to Chapter 1 of Title 23 of the Rhode Island General Laws as of the effective date of the](#)
13 [transfer of licensing of electronic nicotine-delivery system products distributors and dealers under](#)
14 [this chapter shall be considered licensed for purposes of compliance with this chapter until the](#)
15 [renewal of that license immediately following the enactment of this chapter.](#)

16 **44-20-4. Application for license -- Display.**

17 All licenses are issued by the tax administrator upon approval of application, stating, on
18 forms prescribed by the tax administrator, the information he or she may require for the proper
19 administration of this chapter. Each application for an importer's, or distributor's license shall be
20 accompanied by a fee of one thousand dollars (\$1,000); provided, that for a distributor who does
21 not affix stamps, the fee shall be ~~one~~ [two](#) hundred [fifty](#) dollars (~~\$100~~[250.00](#)); each application for
22 a dealer's license shall be accompanied by [an application](#) fee of ~~twenty-seventy-five~~
23 ~~(\$275.00)~~ [and a license fee of two-hundred and fifty dollars \(\\$250.00\)](#). Each issued license shall
24 be prominently displayed on the premises within this state, if any, covered by the license. In the
25 instance of an application for a distributor's license, the administrator shall require, in addition to
26 other information as may be deemed necessary, the filing of affidavits from three (3) cigarette
27 manufacturers with national distribution stating that the manufacturer will supply the distributor if
28 the applicant is granted a license.

29 **44-20-5. Duration of importer's and dealer's licenses -- Renewal.**

30 (a) Any importer license and any license issued by the tax administrator authorizing a
31 dealer to sell cigarettes [and/or other tobacco products and/or electronic nicotine-delivery system](#)
32 [products](#) in this state shall expire at midnight on June 30 next succeeding the date of issuance
33 unless (1) suspended or revoked by the tax administrator, (2) the business with respect to which
34 the license was issued changes ownership, (3) the importer or dealer ceases to transact the

1 business for which the license was issued, or (4) after a period of time set by the administrator;
2 provided such period of time shall not be longer than three (3) years, in any of which cases the
3 license shall expire and terminate and the holder shall immediately return the license to the tax
4 administrator.

5 (b) Every holder of a dealer's license shall annually, on or before February 1 of each year,
6 renew its license by filing an application for renewal along with ~~twenty-five~~ two hundred fifty
7 dollars ~~(\$25.00)~~ (\$250.00) renewal fee. The renewal license is valid for the period July 1 of that
8 calendar year through June 30 of the subsequent calendar year.

9 **44-20-8.2. Transactions only with licensed manufacturers, importers, distributors,**
10 **and dealers.**

11 A manufacturer or importer may sell or distribute cigarettes and/or other tobacco
12 products, electronic nicotine-delivery system products and/or e-liquid products to a person
13 located or doing business within this state, only if such person is a licensed importer or
14 distributor. An importer may obtain cigarettes and/or other tobacco products and/or e-liquid
15 products only from a licensed manufacturer. A distributor may sell or distribute cigarettes and/or
16 other tobacco products and/or e-liquid products to a person located or doing business within this
17 state, only if such person is a licensed distributor or dealer. A distributor may obtain cigarettes
18 and/or other tobacco products and/or e-liquid products only from a licensed manufacturer,
19 importer, or distributor. A dealer may obtain cigarettes and/or other tobacco products and/or e-
20 liquid products only from a licensed distributor. Any smoking bar as defined in 23-20.10-2(20)
21 shall be exempt from the requirement in this section only with respect to other tobacco products.

22 SECTION 14. Effective August 1, 2019, Sections 44-20-12, 44-20-12.7, and, 44-20-13 of
23 the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax" are
24 hereby amended to read as follows:

25 **44-20-12. Tax imposed on cigarettes sold.**

26 A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax
27 to be evidenced by stamps, which may be affixed only by licensed distributors to the packages
28 containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this
29 chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under
30 this chapter. The tax is at the rate of ~~two hundred twelve and one half (212.5)~~ two hundred
31 twenty-five (225) mills for each cigarette.

32 **44-20-12.7. Floor stock tax on cigarettes and stamps.**

33 (a) Each person engaging in the business of selling cigarettes at retail in this state shall
34 pay a tax or excise to the state for the privilege of engaging in that business during any part of the

calendar year 2019. In calendar year 2019, the tax shall be measured by the number of cigarettes held by the person in this state at 12:01 a.m. on August 1, 2019 and is computed at the rate of twelve and one half (12.5) mills for each cigarette on August 1, 2019.

(b) Each distributor licensed to do business in this state pursuant to this chapter shall pay a tax or excise to the state for the privilege of engaging in that business during any part of the calendar year 2019. The tax is measured by the number of stamps, whether affixed or to be affixed to packages of cigarettes, as required by § 44-20-28. In calendar year 2019 the tax is measured by the number of stamps, whether affixed or to be affixed, held by the distributor at 12:01 a.m. on August 1, 2019, and is computed at the rate of twelve and one half (12.5) mills per cigarette in the package to which the stamps are affixed or to be affixed.

(c) Each person subject to the payment of the tax imposed by this section shall, on or before August 15, 2019, file a return, under oath or certified under the penalties of perjury, with the tax administrator on forms furnished by him or her, showing the amount of cigarettes and the number of stamps in that person's possession in this state at 12:01 a.m. on August 1, 2019, as described in this section above, and the amount of tax due, and shall at the time of filing the return pay the tax to the tax administrator. Failure to obtain forms shall not be an excuse for the failure to make a return containing the information required by the tax administrator.

(d) The tax administrator may prescribe rules and regulations, not inconsistent with law regarding the assessment and collection of the tax imposed by this section.

44-20-13. Tax imposed on unstamped cigarettes.

A tax is imposed at the rate of ~~two hundred twelve and one half (212.5)~~ two hundred twenty-five (225) mills for each cigarette upon the storage or use within this state of any cigarettes not stamped in accordance with the provisions of this chapter in the possession of any consumer within this state.

SECTION 15. Effective August 1, 2019 unless otherwise specified herein, Section 44-20-13.2 of the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax" is hereby amended to read as follows:

44-20-13.2. Tax imposed on other tobacco products, smokeless tobacco, cigars, and pipe tobacco products, and e-liquid products.

(a) A tax is imposed on all other tobacco products, smokeless tobacco, cigars, ~~and~~ pipe tobacco products, and e-liquid products sold, or held for sale in the state by any person, the payment of the tax to be accomplished according to a mechanism established by the administrator, division of taxation, department of revenue. The tax imposed by this section shall be as follows:

(1) At the rate of eighty percent (80%) of the wholesale cost of other tobacco products, cigars, pipe tobacco products, and smokeless tobacco other than snuff.

(2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of cigars, the tax shall not exceed ~~fifty~~ eighty cents (\$.850) for each cigar.

(3) At the rate of one dollar (\$1.00) per ounce of snuff, and a proportionate tax at the like rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net weight as listed by the manufacturer; provided, however, that any product listed by the manufacturer as having a net weight of less than 1.2 ounces shall be taxed as if the product has a net weight of 1.2 ounces.

(4) Effective September 1, 2019, at the rate of forty percent (40%) of the wholesale cost of e-liquid products as defined herein.

~~(b) Any dealer having in his or her possession any other tobacco products with respect to the storage or use of which a tax is imposed by this section shall, within five (5) days after coming into possession of the other tobacco products in this state, file a return with the tax administrator in a form prescribed by the tax administrator. The return shall be accompanied by a payment of the amount of the tax shown on the form to be due.~~ Any smoking bar as defined in 23-20.10-2(20) having in his or her possession any other tobacco products with respect to the storage or use of which a tax is imposed by this section shall, within five (5) days after coming into possession of the other tobacco products in this state, file a return with the tax administrator in a form prescribed by the tax administrator. The return shall be accompanied by a payment of the amount of the tax shown on the form to be due. Records required under this section shall be preserved on the premises described in the relevant license in such a manner as to ensure permanency and accessibility for inspection at reasonable hours by authorized personnel of the administrator.

(c) The proceeds collected are paid into the general fund.

SECTION 16. Effective September 1, 2019, Sections 44-20-15, 44-20-33, 44-20-35, 44-20-40, 44-20-40.1, 44-20-43, 44-20-45, 44-20-47 and 44-20-51.1 of the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax" are hereby amended to read as follows:

44-20-15. Confiscation of contraband cigarettes, other tobacco products, e-liquid products, and other property.

(a) All cigarettes, ~~and~~ other tobacco products, and/or e-liquid products that are held for sale or distribution within the borders of this state in violation of the requirements of this chapter are declared to be contraband goods and may be seized by the tax administrator or his or her

agents, or employees, or by any sheriff, or his or her deputy, or any police officer when directed by the tax administrator to do so, without a warrant. All contraband goods seized by the state under this chapter shall be destroyed.

(b) All fixtures, equipment, and all other materials and personal property on the premises of any distributor or dealer who, with the intent to defraud the state, fails to keep or make any record, return, report, or inventory; keeps or makes any false or fraudulent record, return, report, or inventory required by this chapter; refuses to pay any tax imposed by this chapter; or attempts in any manner to evade or defeat the requirements of this chapter shall be forfeited to the state.

44-20-33. Sale of contraband cigarettes, ~~or~~ contraband other tobacco products or contraband e-liquid products prohibited.

No distributor shall sell, and no other person shall sell, offer for sale, display for sale, or possess with intent to sell any contraband other tobacco products without written record of the payment of tax imposed by this chapter, or contraband e-liquid products [without written record of the payment of tax imposed by this chapter or contraband cigarettes, the packages or boxes of which do not bear stamps evidencing the payment of the tax imposed by this chapter.](#)

44-20-35. Penalties for violations as to unstamped contraband cigarettes, ~~or~~ contraband other tobacco products, or contraband e-liquid products..

(a) Any person who violates any provision of §§ 44-20-33 and 44-20-34 shall be fined or imprisoned, or both fined and imprisoned, as follows:

(1) For a first offense in a twenty-four-month (24) period, fined not more than ten (10) times the retail value of the contraband cigarettes, [contraband e-liquid products and/or](#) contraband other tobacco products, or be imprisoned not more than one (1) year, or be both fined and imprisoned;

(2) For a second or subsequent offense in a twenty-four-month (24) period, fined not more than twenty-five (25) times the retail value of the contraband cigarettes, [contraband e-liquid products](#) and/or contraband other tobacco products, or be imprisoned not more than three (3) years, or be both fined and imprisoned.

(b) When determining the amount of a fine sought or imposed under this section, evidence of mitigating factors, including history, severity, and intent shall be considered.

44-20-40. Records -- Investigation and inspection of books, premises and stock.

(a) Each manufacturer, importer, distributor, and dealer shall maintain copies of invoices or equivalent documentation for, or itemized for, each of its facilities for each transaction (other than a retail transaction with a consumer) involving the sale, purchase, transfer, consignment, or receipt of cigarettes, [other tobacco products and e-liquid products](#). The invoices or documentation

1 shall show the name and address of the other party and the quantity by brand style of the
2 cigarettes, [other tobacco products and contraband e-liquid products](#) involved in the transaction.

3 All records and invoices required under this section must be safely preserved for three (3) years in
4 a manner to insure permanency and accessibility for inspection by the administrator or his or her
5 authorized agents.

6 (b) Records required under this section shall be preserved on the premises described in
7 the relevant license in such a manner as to ensure permanency and accessibility for inspection at
8 reasonable hours by authorized personnel of the administrator. With the administrator's
9 permission, persons with multiple places of business may retain centralized records, but shall
10 transmit duplicates of the invoices or the equivalent documentation to each place of business
11 within twenty-four (24) hours upon the request of the administrator or his or her designee.

12 (c) The administrator or his or her authorized agents may examine the books, papers,
13 reports and records of any manufacturer, importer, distributor or dealer in this state for the
14 purpose of determining whether taxes imposed by this chapter have been fully paid, and may
15 investigate the stock of cigarettes, [other tobacco products and/or electronic nicotine-delivery](#)
16 [system products](#) in or upon any premises for the purpose of determining whether the provisions of
17 this chapter are being obeyed. The administrator in his or her sole discretion may share the
18 records and reports required by such sections with law enforcement officials of the federal
19 government or other states.

20 **44-20-40.1. Inspections.**

21 (a) The administrator or his or her duly authorized agent shall have authority to enter and
22 inspect, without a warrant during normal business hours, and with a warrant during nonbusiness
23 hours, the facilities and records of any manufacturer, importer, distributor, or dealer.

24 (b) In any case where the administrator or his or her duly authorized agent, or any police
25 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is
26 transporting cigarettes, ~~or~~ other tobacco products [or contraband e-liquid products](#) in violation of
27 this chapter, the administrator, such agent, or such police officer, is authorized to stop such
28 vehicle and to inspect the same for contraband cigarettes, ~~or~~ [contraband](#) other tobacco products [or](#)
29 [contraband e-liquid products](#).

30 **44-20-43. Violations as to reports and records.**

31 Any person who fails to submit the reports required in this chapter or by the tax
32 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
33 refuses to permit the tax administrator or his or her authorized agent to examine any books,
34 records, papers, or stocks of cigarettes, ~~or~~ other tobacco products [or electronic nicotine-delivery](#)

[system products](#) as provided in this chapter, or who refuses to supply the tax administrator with any other information which the tax administrator requests for the reasonable and proper enforcement of the provisions of this chapter, shall be guilty of a misdemeanor punishable by imprisonment up to one (1) year, or a fine of not more than five thousand dollars (\$5,000), or both, for the first offense, and for each subsequent offense, shall be fined not more than ten thousand dollars (\$10,000), or be imprisoned not more than five (5) years, or both.

44-20-45. Importation of cigarettes, ~~and/or~~ other tobacco products, and/or e-liquid products with intent to evade tax.

Any person, firm, corporation, club, or association of persons who or that orders any cigarettes, ~~and/or~~ other tobacco products, [and/or electronic nicotine-delivery system products](#) for another; or pools orders for cigarettes, ~~and/or~~ other tobacco products, [and/or electronic nicotine-delivery system products](#) from any persons; or conspires with others for pooling orders; or receives in this state any shipment of contraband cigarettes, ~~and/or~~ contraband other tobacco products, [and/or contraband e-liquid products](#) on which the tax imposed by this chapter has not been paid, for the purpose and intention of violating the provisions of this chapter or to avoid payment of the tax imposed in this chapter, is guilty of a felony and shall be fined one hundred thousand dollars (\$100,000) or five (5) times the retail value of the cigarettes, [other tobacco products, and/or e-liquid products](#) involved, whichever is greater, or imprisoned not more than fifteen (15) years, or both.

44-20-47. Hearings by tax administrator.

Any person aggrieved by any action under this chapter of the tax administrator or his or her authorized agent for which a hearing is not elsewhere provided may apply to the tax administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons why the hearing should be granted and the manner of relief sought. The tax administrator shall notify the applicant of the time and place fixed for the hearing. After the hearing, the tax administrator may make the order in the premises as may appear to the tax administrator just and lawful and shall furnish a copy of the order to the applicant. The tax administrator may, by notice in writing, at any time, order a hearing on his or her own initiative and require the taxpayer or any other individual whom the tax administrator believes to be in possession of information concerning any manufacture, importation, or sale of: cigarettes, [other tobacco products, and/or e-liquid products](#) to appear before the tax administrator or his or her authorized agent with any specific books of account, papers, or other documents, for examination relative to the hearing.

44-20-51.1. Civil penalties.

(a) Whoever omits, neglects, or refuses to comply with any duty imposed upon him/her

1 by this chapter, or to do, or cause to be done, any of the things required by this chapter, or does
2 anything prohibited by this chapter, shall, in addition to any other penalty provided in this
3 chapter, be liable as follows:

4 (1) For a first offense in a twenty-four-month (24) period, a penalty of not more than ten
5 (10) times the retail value of the cigarettes, ~~and/or~~ other tobacco products and/or e-liquid products
6 involved; and

7 (2) For a second or subsequent offense in a twenty-four-month (24) period, a penalty of
8 not more than twenty-five (25) times the retail value of the cigarettes, ~~and/or~~ other tobacco
9 products and/or contraband e-liquid products involved.

10 (b) Whoever fails to pay any tax imposed by this chapter at the time prescribed by law or
11 regulations, shall, in addition to any other penalty provided in this chapter, be liable for a penalty
12 of one thousand dollars (\$1,000) or not more than five (5) times the tax due but unpaid,
13 whichever is greater.

14 (c) When determining the amount of a penalty sought or imposed under this section,
15 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
16 considered.

17 SECTION 17. Sections 44-44-3 and 44-44-3.7 of the General Laws in Chapter 44-44
18 entitled "Taxation of Beverage Containers, Hard-to-Dispose Material and Litter Control
19 Participation Permittee" are hereby amended to read as follows:

20 **44-44-3. Imposition of tax on beverage containers.**

21 There shall be levied and imposed a tax of ~~four cents (\$0.04)~~ eight cents (\$0.08) on each
22 case of beverage containers sold by a beverage wholesaler to a beverage retailer or consumer
23 within this state. The tax shall be collected by the beverage wholesaler. The tax provided for in
24 this section shall not be levied, imposed, or collected on reusable and refillable beverage
25 containers.

26 **44-44-3.7. Imposition of tax on hard-to-dispose material.**

27 (a) There shall be levied and imposed a tax of ~~five cents (\$0.05)~~ ten cents (\$0.10) per
28 quart (32 oz.) or ~~five and 3/10th cents (\$0.053)~~ ten and 6/10 cents (\$0.106) per liter on lubricating
29 oils, ~~ten cents (\$0.10)~~ twenty cents (\$0.20) per gallon or ~~two and 64/100th cents (\$0.0264)~~ five
30 and 28/100th cents (\$0.0528) per liter on antifreeze, ~~one fourth of one cent (\$0.0025)~~ one half cent
31 (\$0.005) per gallon or ~~66/10,000th cents (\$0.0066)~~ one hundred thirty two thousandths
32 (\$0.00132) per liter on organic solvents, and ~~fifty cents (\$.50)~~ one dollar (\$1.00) per tire as
33 defined above. The tax shall be separately stated and collected upon the sale by the hard-to-
34 dispose material wholesalers to a hard-to-dispose material retailer. In the case of new motor

1 vehicles, a fee of ~~three dollars (\$3.00)~~ six dollars (\$6.00) per vehicle shall be levied and paid to
2 the division of motor vehicles in conjunction with titling of the vehicle. Every hard-to-dispose
3 material retailer selling, using, or otherwise consuming in this state any hard-to-dispose material
4 is liable for the tax imposed by this section. Its liability is not extinguished until the tax has been
5 paid to the state, except that a receipt from a hard-to-dispose material wholesaler engaging in
6 business in this state or from a hard-to-dispose material wholesaler who is authorized by the tax
7 administrator to collect the tax under rules and regulations that he or she may prescribe given to
8 the hard-to-dispose material retailer is sufficient to relieve the hard-to-dispose material retailer
9 from further liability for the tax to which the receipt refers.

10 (b) In the event that a person purchases hard-to-dispose material for its own use or
11 consumption and not for resale from a hard-to-dispose material wholesaler or retailer not engaged
12 in business in this state or not authorized by the tax administrator to collect the tax, that person
13 shall be liable for the tax imposed by this section.

14 SECTION 18. Effective October 1, 2019, Title 44 of the General Laws entitled
15 "TAXATION" is hereby amended by adding thereto the following chapter:

16 CHAPTER 70

17 FIREARMS AND FIREARM AMMUNITION EXCISE TAX

18 **44-70-1. Short title.**

19 Chapter 70 of this title may be known and cited as the "Firearm and Firearm Ammunition
20 Excise Tax Act".

21 **44-70-2. Definitions.**

22 The following words, terms, and phrases, when used in this chapter, shall have the
23 meanings ascribed to them in this Section, except where the context clearly indicates a different
24 meaning:

25 (a) "Firearm" shall have the same meaning as set forth in 18 U.S. Code § 921(a)(3).

26 (b) "Firearm ammunition" shall have the same meaning as "Ammunition" as set forth in
27 18 U.S. Code § 921(a)(17)(A).

28 (c) "State" means the State of Rhode Island and Providence Plantations.

29 (d) Tax Administrator means the tax administrator within the department of revenue for
30 the State

31 (e) "Person" means person as defined in § 44-18-6.

32 (f) "Purchaser" means any person who purchases a firearm or firearm ammunition in a
33 retail purchase in the State of Rhode Island.

34 (g) "Retail dealer" or "retailer" means any person who engages in the business of selling

firearms or firearm ammunition on a retail level in the State or to a person in the State, as defined in § 44-18-15

(h) “Retail purchase” means any transaction in which a person in the State acquires ownership by tendering consideration on a retail level.

44-70-3. Rules and Regulations.

The tax administrator may promulgate rules and regulations, not inconsistent with law, to carry into effect the provisions of this chapter.

44-70-4. Collection of tax by retailer.

Every retailer engaging in business in this state and making sales of Firearms or Firearm Ammunition, for storage, use, or other consumption in this state, not exempted under this chapter shall, at the time of making the sales, or if the storage, use, or other consumption of the tangible personal property is not then taxable under this chapter, at the time the storage, use, or other consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a receipt in the manner and form prescribed by the tax administrator.

44-70-5. Exemptions.

(a) Notwithstanding any other provision of this chapter, in accordance with rules that may be promulgated by the tax administrator in regard to tax exempt purchases, retail dealers shall not collect the firearms or firearm ammunition tax when the firearms and/or firearm ammunition is being sold to the following:

(1) An office, division, or agency of the United States, the State of Rhode Island, or any municipal corporation or political subdivision, including the Armed Forces of the United States or National Guard.

(2) A bona fide veterans’ organization which receive firearms and/or firearm ammunition directly from the Armed Forces of the United States and uses said firearms and/or firearm ammunition strictly and solely for ceremonial purposes with blank ammunition.

(3) Any active sworn law enforcement officer purchasing a firearm and/or firearm ammunition for official or training related purposes presenting an official law enforcement identification card at the time of purchase.

(b) In accordance with rules to be promulgated by the tax administrator, an active member of the Armed Forces of the United States, National Guard or deputized law enforcement officer may apply for a refund from the department for the tax paid on a firearm and/or firearm ammunition that was purchased for official use or training related purposes.

(c) Notwithstanding any other provision in this chapter, in accordance with rules that may be promulgated by the tax administrator in regard to tax-exempt purchases, retail dealers shall not

1 collect firearm ammunition tax on blank ammunition.

2 **44-70-6. Tax Imposed.**

3 The retailer shall add the tax imposed by this chapter to the sale price or charge, and
4 when added the tax constitutes a part of the price or charge, is a debt from the consumer or user to
5 the retailer, and is recoverable at law in the same manner as other debts; provided, that the
6 amount of tax that the retailer collects from the consumer or user is as follows:

7 Amount of Fair Market Value, as Tax

8 \$0.01 to \$.09 inclusive No Tax

9 .10 to .19 inclusive .01

10 .20 to .29 inclusive .02

11 .30 to .39 inclusive .03

12 .40 to .49 inclusive .04

13 .50 to .59 inclusive .05

14 .60 to .69 inclusive .06

15 .70 to .79 inclusive .07

16 .80 to .89 inclusive .08

17 .90 to .99 inclusive .09

18 .100 to .109 inclusive .10

19 and where the amount of the sale is more than one dollar and nine cents (\$1.09) the
20 amount of the tax is computed at the rate of ten percent (10%)

21 Tax Included in Sales Price.

22 It shall be deemed a violation of this chapter for a retail dealer to fail to separately state
23 the tax imposed in this chapter and instead include it in the sale price of firearms and/or firearm
24 ammunition. The tax levied in this article shall be imposed in addition to all other taxes imposed
25 by the State, or any municipal corporation or political subdivision of any of the foregoing.

26 (b) Any person who shall receive firearms or firearm ammunition in any form and under
27 any circumstances that shall preclude the collection of the tax provided for in this chapter, and
28 shall then sell or use the firearm or Firearm ammunition in any manner and under any
29 circumstances that shall render the sale or use subject to the tax, shall use the same form, pay the
30 same taxes, and be subject to all other provisions of this chapter relating to tax.

31 **44-70-7. Tax Collection.**

32 (a) Tax Collection.

33 Any retail dealer shall collect the taxes imposed by this chapter from any purchaser to
34 whom the sale of said firearms or firearm ammunition is made within the State and shall remit to

1 the State the tax levied by this chapter.

2 (b) Tax Remittance.

3 It shall be the duty of every retail dealer to remit the tax due on the sales of firearms or
4 firearm ammunition purchased in the State, on forms prescribed by the tax administrator, on or
5 before the 20th day of the month following the month in which the firearm or firearm ammunition
6 sale occurred on a form and in the manner required by the tax administrator.

7 (c) If for any reason a retail dealer fails to collect the tax imposed by this chapter from the
8 purchaser, the purchaser shall file a return and pay the tax directly to the State, on or before the
9 date required by Subsection (b) of this Section.

10 **44-70-8. Penalties.**

11 (a) Failure to file tax returns or to pay tax. In the case of failure:

12 (1) To file the tax return on or before the prescribed date, unless it is shown that the
13 failure is due to reasonable cause and not due to willful neglect, an addition to tax shall be made
14 equal to ten percent (10%) of the tax required to be reported. For this purpose, the amount of tax
15 required to be reported shall be reduced by an amount of the tax paid on or before the date
16 prescribed for payment and by the amount of any credit against the tax which may properly be
17 claimed upon the return;

18 (2) To pay the amount shown as tax on the personal income tax return on or before the
19 prescribed date for payment of the tax unless it is shown that the failure is due to reasonable cause
20 and not due to willful neglect, there shall be added to the amount shown as tax on the return ten
21 percent (10%) of the amount of the tax.

22 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of
23 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to
24 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

25 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of
26 the deficiency shall be added to the tax. This amount shall be in lieu of any other additional
27 amounts imposed by subsections (a) and (b) of this section.

28 (d) Failure to collect and pay over tax. Any person required to collect, truthfully account
29 for, and pay over the firearm and Firearm ammunition tax who willfully fails to collect the tax or
30 truthfully account for and pay over the tax or willfully attempts in any manner to evade or defeat
31 the tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a
32 civil penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and
33 paid over.

34 (e) Additions and penalties treated as tax. The additions to the tax and civil penalties

1 provided by this section shall be paid upon notice and demand and shall be assessed, collected,
2 and paid in the same manner as taxes.

3 (g) Bad checks. If any check or money order in payment of any amount receivable under
4 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as
5 a penalty by the person who tendered the check, upon notice and demand by the tax administrator
6 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the
7 amount of the check, except that if the amount of the check is less than five hundred dollars
8 (\$500), the penalty under this section shall be five dollars (\$5.00). This subsection shall not apply
9 if the person tendered the check in good faith and with reasonable cause to believe that it would
10 be duly paid.

11 (h) Misuse of Trust Funds Any retailer and any officer, agent, servant, or employee of
12 any corporate retailer responsible for either the collection or payment of the tax, who appropriates
13 or converts the tax collected to his or her own use or to any use other than the payment of the tax
14 to the extent that the money required to be collected is not available for payment on the due date
15 as prescribed in this chapter, shall upon conviction for each offense be fined not more than ten
16 thousand dollars (\$10,000), or be imprisoned for one year, or by both fine and imprisonment,
17 both fine and imprisonment to be in addition to any other penalty provided by this chapter.

18 (i) Operating without a Firearm License A person who engages in business as a firearm
19 or firearm ammunition retailer in this state without a license as defined in § 11-47-38 or after said
20 license has been suspended or revoked, and each officer of any corporation which engages in
21 business as a firearm or firearm ammunition retailer in this state without a license as defined in §
22 11-47-38 or after said license has been suspended or revoked, is guilty of a misdemeanor, and
23 shall be fined not more than five thousand dollars (\$5,000) for each offense, or be imprisoned not
24 exceeding one year, or be punished by both fine and imprisonment. Each day in which the person
25 engages in business constitutes a separate offense.

26 **44-70-9. Claim for Refund.**

27 Whenever the tax administrator determines that any person is entitled to a refund of any
28 moneys paid by a person under the provisions of this chapter, or whenever a court of competent
29 jurisdiction orders a refund of any moneys paid, the general treasurer shall, upon certification by
30 the tax administrator and with the approval of the director of administration, pay the refund from
31 any moneys in the treasury not appropriated without any further act or resolution making
32 appropriation for the refund. No refund is allowed unless a claim is filed with the tax
33 administrator within three (3) years from the fifteenth (15th) day after the close of the month for
34 which the overpayment was made.

1 **44-70-10. Enforcement.**

2 (a) General. The tax administrator shall administer and enforce this chapter and may
3 require any facts and information to be reported that he or she may deem necessary to enforce the
4 provisions of this chapter.

5 (b) Examination of books and witnesses. For the purpose of ascertaining the correctness
6 of any filing or notice or for the purpose of compliance with the terms of this chapter, the tax
7 administrator shall have the power to examine or to cause to have examined, by any agent or
8 representative designated by the tax administrator for that purpose, any books, papers, records, or
9 memoranda bearing upon said matters and may require the attendance of the person rendering the
10 return or any officer or employee of the person, or the attendance of any other person having
11 knowledge of the correctness of any filing or notice or compliance with the terms of this chapter,
12 and may take testimony and require proof material for its information, with power to administer
13 oaths to the person or persons.

14 **44-70-12. Appeal.**

15 If the tax administrator issues a final determination hereunder, an appeal may be made
16 pursuant to the provisions of chapter 19 of title 44.

17 **44-70-13. Severability.**

18 If any provision of this chapter or the application thereof is held invalid, such invalidity
19 shall not affect the provisions or applications of this chapter which can be given effect without the
20 invalid provisions or applications.

21 SECTION 19. Sections 46-12.7-4.1 and 46-12.7-5.1 of the General Laws in Chapter 46-
22 12.7 entitled "Oil Spill Prevention, Administration and Response Fund" are hereby amended to
23 read as follows:

24 **46-12.7-4.1. Uniform oil response and prevention fee.**

25 (a) A uniform oil spill response and prevention fee in an amount not exceeding ~~five cents~~
26 ~~(\$.05)~~ ten cents (\$.10) for each barrel of petroleum products, as set by the director pursuant to
27 subsection (d) of this section, shall be imposed upon every person owning petroleum products at
28 the time the petroleum products are received at a marine terminal within this state by means of a
29 vessel from a point of origin outside this state. The fee shall be remitted to the division of taxation
30 on the 30th day of each month based upon the number of barrels of petroleum products received
31 during the preceding month.

32 (b) Every owner of petroleum products shall be liable for the fee until it has been paid to
33 the state, except that payment to a marine terminal operator registered under this chapter is
34 sufficient to relieve the owner from further liability for the fee; provided, however, that the fee for

1 asphalt products and asphalt derivatives shall be one cent (\$.01) per barrel of asphalt products or
2 derivatives.

3 (c) Whenever the director, in consultation with the department and the division of
4 taxation, estimates that the amount in the fund will reach the amount specified in subsection (e) of
5 this section, and the money in the fund is not required for the purposes specified in § 46-12.7-5.1,
6 the director shall instruct the division of taxation to cease collecting the fee.

7 (d) The director shall set the amount of the oil spill prevention and response fees. The
8 administrator, except for the fee set out in subsection (b), shall not set the amount of the fee at
9 less than ~~five cents (\$0.05)~~ ten cents (\$.10) for each barrel of petroleum products or crude oil,
10 unless the director finds that the assessment of a lesser fee will cause the fund to reach the
11 designated amount within six (6) months.

12 (e) For the purposes of this chapter, "designated amount" means an amount equal to ten
13 million dollars (\$10,000,000), adjusted for inflation after January 1, 1998, according to an index
14 which the director may reasonably choose.

15 (f) All fees collected pursuant to this section shall be deposited in the oil spill prevention,
16 administration, and response fund, and shall be disbursed according to the purposes expressed in
17 § 46-12.7-5.1.

18 (g) Notwithstanding the provisions of subsection (f) of this section, each July 1st, two
19 hundred and fifty thousand dollars (\$250,000) of the fees collected under this section shall be
20 deposited into the coastal and estuarine habitat restoration trust fund (the "trust").

21 **46-12.7-5.1. Purposes of the fund.**

22 The director may use money from the fund to:

23 (1) Provide funds to cover promptly the costs of response, containment, and cleanup of
24 oil spills into marine or estuarine waters, including, but not limited to, damage assessment costs,
25 and wildlife rehabilitation as defined in this section.

26 (2) Provide funds to cover the costs of site evaluation activities. These activities shall
27 include, but not be limited to, site mapping, installation of wells, collection, monitoring, and
28 analysis of samples of air, soil, and/or water, and evaluation of the impacts of contamination on
29 maritime and terrestrial shore line environments, production of the reports, and installation and
30 the maintenance of necessary technology, and equipment for complete remedial action;

31 (3) Provide emergency loans and to cover response and cleanup costs and other damages
32 suffered by the state or other persons or entities from oil spills or threatened oil spills;

33 (4) To pay for claims for damages, which cannot otherwise be compensated by
34 responsible parties or the federal government, pursuant to § 46-12.7-8.1;

1 (5) Provide emergency loans to affected workers ineligible for unemployment insurance;

2 (6) Pay for structural improvements to vulnerable coastal features, including the

3 Providence River Shipping Canal, in order to reduce the risk of oil tanker collisions, grounding,

4 and spills;

5 (7) Pay for the restoration of natural resources damaged by an oil spill, where necessary

6 and appropriate;

7 (8) Pay for response training and equipment;

8 (9) Pay for large-scale personnel drills and exercises;

9 (10) Pay for research, development, and monitoring activities as outlined in § 46-12.7-13;

10 and

11 (11) Pay for the expenditures related to the Rhode Island coastal and estuarine habitat

12 restoration trust fund pursuant to chapter 23.1 of this title, subject to appropriation-; [and](#)

13 [\(12\) Pay for the expenditures related to compliance and monitoring activities for storm](#)

14 [water management and brownfields remediation.](#)

15 SECTION 20. **Effective Date.** Section 7 shall take effect July 1, 2019. Sections 14 and

16 15 of this article shall take effect August 1, 2019. Section 16 shall take effect September 1, 2019.

17 Sections 1, 9, 12 and 18 of this article shall take effect October 1, 2019. The remaining sections

18 of this article shall take effect upon passage.

19 ARTICLE 6

20 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

21 SECTION 1. This article shall serve as joint resolution required pursuant to Rhode Island

22 General Law § 35-18-1, *et seq.*

23 SECTION 2. *University of Rhode Island – Memorial Union – Auxiliary Enterprise*

24 WHEREAS, the Council on Postsecondary Education and the University have a long-

25 standing commitment to the overall development of their students; and

26 WHEREAS, the University believes that the Memorial Union celebrates life at URI and

27 acts as the nexus for campus community, student engagement, and leadership. It is an intersection

28 connecting the academic core of campus and the campus's socially active residential community.

29 The student union at the University is an integral part of the educational ecosystem that shapes

30 the student experience; and

31 WHEREAS, the Council on Postsecondary Education and the University of Rhode Island

32 are proposing a project which involves the renovation and expansion of the Memorial Union to meet

33 the ongoing and growing needs of their students; and

34 WHEREAS, the University engaged a qualified architectural firm, which has completed

1 an advanced planning study for this renovation; and

2 WHEREAS, the Rhode Island Public Corporation Debt Management Act requires the
3 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
4 and other public agencies of certain obligations including financing guarantees or other agreements;
5 and

6 WHEREAS, the design and construction associated with this work of an Auxiliary
7 Enterprise building will be financed through the Rhode Island Health and Educational Building
8 Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

9 WHEREAS, the total project costs associated with completion of the project through the
10 proposed financing method is fifty-one million five hundred thousand dollars (\$51,500,000),
11 including cost of issuance. Debt service payments would be supported by revenues derived from
12 student fees and retail lease payments associated with the respective Auxiliary Enterprises of the
13 University of Rhode Island occupying said facility. Total debt service on the bonds is not
14 expected to exceed one hundred twelve million three hundred thousand dollars (\$112,300,000) in
15 the aggregate based on an average interest rate of six (6%) percent; now, therefore be it

16 RESOLVED, that this General Assembly hereby approves financing in an amount not to
17 exceed fifty-one million five hundred thousand dollars (\$51,500,000) for the Memorial Union
18 project for the auxiliary enterprise building on the University of Rhode Island campus; and be it
19 further

20 RESOLVED, that this Joint Resolution shall take effect upon passage by this General
21 Assembly.

22 SECTION 3. *University of Rhode Island – Fraternity Circle Master Plan Implementation*

23 WHEREAS, the Rhode Island Council on Postsecondary Education and the University of
24 Rhode Island are proposing a project which involves improvements to the sector of the Kingston
25 Campus devoted to fraternity and sorority houses, referred to as Fraternity Circle, on the Kingston
26 Campus; and

27 WHEREAS, the University of Rhode Island is underway with a utility and infrastructure
28 project to replace, improve, and reorganize aged, incrementally developed utility and paved
29 infrastructure in Fraternity Circle, referred to in the University's Capital Improvement Plan as
30 "Fraternity Circle Improvements" project, including improvements to water, wastewater,
31 electrical, telecommunications, natural gas connections, and storm water management systems, as
32 well as roadways, walkways, and parking lots as a first phase of improvements reflected in a
33 "master plan" for this unique neighborhood of on-campus residences serving organizations of
34 students; and

1 WHEREAS, the second phase of the overall improvements to Fraternity Circle, referred
2 to on the University's Capital Improvement Plan as the "Fraternity Circle Master Plan
3 Implementation" project is needed to complete this district of campus; and

4 WHEREAS, the design and execution of this project will improve student life and the
5 campus's environmental impact; and

6 WHEREAS, these timely project commitments serve the objectives of both the University
7 and the local community; and

8 WHEREAS, the Rhode Island Public Corporation Debt Management Act requires the
9 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
10 and other public agencies of certain obligations including financing guarantees or other agreements;
11 and

12 WHEREAS, the design and construction will be financed through Rhode Island Health
13 and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years;
14 and

15 WHEREAS, the project costs associated with completion of the project and proposed
16 financing method is two million one hundred thousand dollars (\$2,100,000), including cost of
17 issuance. Debt Service payments would be supported by the University's unrestricted general
18 fund. Total debt service on the bonds is not expected to exceed three million seven hundred
19 thousand dollars (\$3,700,000) in the aggregate based on an average interest rate of six percent
20 (6%); now, therefore be it

21 RESOLVED, that this General Assembly hereby approves financing in an amount not to
22 exceed two million one hundred thousand dollars (\$2,100,000) for the Fraternity Circle Master
23 Plan Implementation project at the University of Rhode Island; and be it further

24 RESOLVED, that, this Joint Resolution shall take effect upon passage by this General
25 Assembly.

26 SECTION 4. *University of Rhode Island – Combined Health & Counseling Center –*
27 *Auxiliary Enterprise*

28 WHEREAS, the Council on Postsecondary Education and the University have a long-
29 standing commitment to the health and wellness of their students; and

30 WHEREAS, the University has a desire to create a one-stop center to address the
31 physical, emotional, and mental health of its students; and

32 WHEREAS, the Council on Postsecondary Education and the University of Rhode Island
33 are proposing a project which involves the construction of a new Combined Health & Counseling
34 Center to meet the ongoing and growing health needs of their students; and

1 WHEREAS, the University engaged a qualified architectural firm, which has completed
2 an advanced planning study for this new building; and

3 WHEREAS, the Rhode Island Public Corporation Debt Management Act requires the
4 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
5 and other public agencies of certain obligations including financing guarantees or other agreements;
6 and

7 WHEREAS, the design and construction associated with this work of an Auxiliary
8 Enterprise building will be financed through the Rhode Island Health and Educational Building
9 Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

10 WHEREAS, the total project costs associated with completion of the project through the
11 proposed financing method is twenty-six million nine hundred thousand dollars
12 (\$26,900,000), including cost of issuance. Debt service payments would be supported by
13 revenues derived from student fees associated with the respective Auxiliary Enterprises of the
14 University of Rhode Island occupying said facility. Total debt service on the bonds is not
15 expected to exceed fifty-eight million seven hundred thousand dollars (\$58,700,000) in the
16 aggregate based on an average interest rate of six (6%) percent; now, therefore be it

17 RESOLVED, that this General Assembly hereby approves financing in an amount not to
18 exceed twenty-six million nine hundred thousand dollars (\$26,900,000) for the Combined
19 Health & Counseling Center project for the auxiliary enterprise building on the University of
20 Rhode Island campus; and be it further

21 RESOLVED, that, this Joint Resolution shall take effect upon passage by this General
22 Assembly.

23 SECTION 5. *Department of Corrections – High Security Center Renovation*

24 WHEREAS, the High Security Center was opened in 1981 to manage the state’s most
25 dangerous offenders as well as those requiring protection from inmate general protection and
26 has a residential treatment unit to treat inmates with mental health crisis or more intensive
27 mental health issues; and

28 WHEREAS, the High Security Center’s capacity is listed at 138 inmates within 6
29 housing modules, but its current census is 86; and

30 WHEREAS, the High Security Center per inmate cost in the facility is \$240,000,
31 which ranks among the highest in the nation due to poor physical design, specifically the small
32 housing modules and the number of staff required to supervise the inmates; and

33 WHEREAS, the poor physical designed housing structure results in a 0.85 inmate to 1
34 staff ratio; and

WHEREAS, due to the age and poorly designed housing units, the High Security Center requires significant infrastructure upgrades including new housing units featuring operational improvements. The funding requested will be utilized to renovate the existing housing units, with potential expansion to achieve operational efficiencies which will improve programming space, alter facility design to reduce correctional officer – inmate ratios, provide energy/maintenance efficiencies and increase the safety of correctional officers; and

WHEREAS, the capital costs associated with completion of the project are estimated to be sixty million dollars (\$60,000,000). This includes \$15,000,000 from the Rhode Island Capital Plan Fund for the renovation of the High Security Center and \$45,000,000 from the issuance of Certificates of Participation. The total issuance would be \$45,000,000, with lease payments over fifteen (15) years on the \$45,000,000 projected to be \$66,156,044 assuming an average coupon of five percent (5.0%). The lease payments would be financed within the Department of Administration from general revenue appropriations, therefore be it

RESOLVED, that a renovation of the High Security Center as part of the Department of Corrections is critical to provide operations that are efficient, effective and safe for Correctional staff; and be it further

RESOLVED, that this General Assembly hereby approves the issuance of certificate of participation in an amount not to exceed \$45,000,000 for the renovation of High Security, part of the Department of Corrections, and be it further

RESOLVED, that, this Joint Resolution shall take effect upon passage by this General Assembly.

SECTION 6. This Article shall take effect upon passage.

ARTICLE 7

RELATING TO MOTOR VEHICLES

SECTION 1. Section 31-2-27 of the General Laws in Chapter 31-2 entitled "Division of Motor Vehicles" is hereby amended to read as follows:

31-2-27. Technology surcharge fee.

(a) The division of motor vehicles shall collect a technology surcharge fee of ~~one dollar and fifty cents (\$1.50)~~ two dollars and fifty cents (\$2.50) per transaction for every division of motor vehicles' fee transaction, except as otherwise provided by law. One dollar and fifty cents (\$1.50) of each two dollars and fifty cents (\$2.50) ~~All technology surcharge fees~~ collected pursuant to this section shall be deposited into the information technology investment fund established pursuant to § 42-11-2.5 and shall be used for project-related payments and/or ongoing

1 maintenance of and enhancements to the division of motor vehicles' computer system and to
2 reimburse the information technology investment fund for advances made to cover project-related
3 payments. ~~The remaining one dollar (\$1.00) shall be deposited in accordance with (b).~~
4 ~~Additionally, deposits to the information technology investment fund shall continue until June 30,~~
5 ~~2022 and thereafter such deposits shall be made in accordance with subsection (b).~~

6 ~~(b) Authorization to collect the technology surcharge fee provided for in subsection (a)~~
7 ~~shall sunset and expire on June 30, 2022.~~

8 (b) The remaining one dollar (\$1.00) of each two dollars and fifty cents (\$2.50) collected
9 pursuant to subsection (a) shall be deposited into an account managed by the division of motor
10 vehicles and restricted to the project-related payments and/or ongoing maintenance of and
11 enhancements to the division of motor vehicles' computer system. Beginning July 1, 2022, the
12 full two dollars and fifty cents (\$2.50) shall be deposited into that the division of motor vehicles
13 restricted account on an ongoing basis.

14 SECTION 2. Section 31-3-33 of the General Laws in Chapter 31-3 entitled "Registration
15 of Vehicles" is hereby amended to read as follows:

16 **31-3-33. Renewal of registration.**

17 (a) Application for renewal of a vehicle registration shall be made by the owner on a
18 proper application form and by payment of the registration fee for the vehicle as provided by law.

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

22 (c) Upon renewal, owners will be issued a renewal sticker for each registration plate that
23 shall be placed at the bottom, right-hand corner of the plate. ~~Owners shall be issued a new, fully~~
24 ~~reflective plate beginning January 1, 2020, at the time of initial registration or at the renewal of an~~
25 ~~existing registration and reissuance will be conducted no less than every ten (10) years.~~

26 SECTION 3. Section 31-3.1-38 of the General Laws in Chapter 31-3.1 entitled
27 "Certificates of Title and Security Interests" is hereby amended to read as follows:

28 **31-3.1-38. Effective dates -- Applicability.**

29 This chapter shall apply to all model vehicles designated as 2001 models and all
30 subsequent model year vehicles. All vehicles designated as model years prior to 2001 shall be
31 excluded from these provisions, ~~provided that no title certificate shall be required once a vehicle~~
32 ~~is twenty (20) years old.~~

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

34 **ARTICLE 8**

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RELATING TO TRANSPORTATION

SECTION 1. Section 31-25-21 of the General Laws in Chapter 31-25 entitled "Size, Weight, and Load Limits" is hereby amended to read as follows:

31-25-21. Power to permit excess size or weight of loads. [Effective January 1, 2019.]

(a) The department of transportation, with respect to highways under its jurisdiction, may, in its discretion, upon application in writing and good cause being shown for it, approve the issuance of a special permit in writing by the division of motor vehicles authorizing the applicant to operate or move a vehicle, or combination of vehicles, of a size or weight of vehicle or load exceeding eighty thousand pounds (80,000 lbs.) or otherwise not in conformity with the provisions of chapters 1 -- 27 of this title upon any highway under the jurisdiction of the party granting the permit and for the maintenance of which the party is responsible. Permits that have been issued for a full year shall not be required to be renewed for the period of time for which payment has been made and the application and other required documentation has been completed and filed. Provided, that neither the department of transportation nor the local authorities may approve the issuance of permits for divisible loads weighing in excess of one hundred four thousand-eight hundred pounds (104,800 lbs.), gross vehicle weight, for five-axle (5) vehicles and seventy-six thousand six hundred fifty pounds (76,650 lbs.), gross vehicle weight, for three-axle (3) vehicles.

(1) Provided, however, that for milk products, any vehicle carrying fluid milk products shall be considered a load that cannot be easily dismantled or divided.

(b) The director of the department of transportation may enter into agreements with other states, the District of Columbia, and Canadian provinces providing for the reciprocal enforcement of the overweight or over-dimensional vehicle permit laws of those jurisdictions entering into the agreement.

(c) Trip permit fee. A fee of ~~twenty dollars (\$20.00)~~ forty dollars (\$40.00) shall be paid to the division of motor vehicles for the issuance of each non-reducible vehicle or load permit; provided, however, applicants seeking a permit for a non-divisible load exceeding one hundred thirty thousand pounds (130,000 lbs.) shall pay a fee of three hundred dollars (\$300.00) to the division of motor vehicles for consideration of a special trip permit approved by the department of transportation pursuant to subsection (e).

(d) Annual fee. An annual fee of ~~three hundred dollars (\$300)~~ four hundred dollars (\$400) paid to the division of motor vehicles shall exempt the payor from the necessity of paying trip permit fees for non-divisible loads of less than one hundred thirty thousand pounds (130,000 lbs.) as found in subsection (c). However, payment of the fee shall not be deemed to authorize

1 non-compliance with the rules and regulations promulgated by the department of transportation
2 entitled "State of Rhode Island Manual for Overweight and Oversize Vehicle Permits".

3 (e) Blanket construction equipment permits may be issued, as determined by the
4 department of transportation, for intrastate movement of non-reducible loads upon payment of the
5 fee set forth in subsection (d). The duration of the blanket permit may not exceed one year, and
6 the construction equipment permit load shall be limited to a minimum overall length of fifty-five
7 feet (55'), a maximum overall length of eighty feet (80'), and a maximum width of twelve feet
8 four inches (12' 4"), provided that neither the division of motor vehicles nor local authorities may
9 issue blanket permits for non-divisible loads weighing in excess of one hundred thirty thousand
10 pounds (130,000 lbs.) on less than six (6) axles, with individual axle weights exceeding twenty-
11 five thousand pounds (25,000 lbs.); provided, further, that the department of transportation, with
12 respect to highways under its jurisdiction, may, in its discretion and upon application and for
13 good cause shown, approve the issuance of a special trip permit authorizing the applicant to
14 exceed one hundred thirty thousand pounds (130,000 lbs.) for non-divisible loads. A flashing
15 amber light shall be in operation above the highest point of the vehicle and shall be visible from
16 both the front and rear of the vehicle; and signs and red warning flags shall be affixed to all
17 extremities. All blanket permits issued in accordance with this section shall be effective during
18 daylight and night-time hours for all over-dimensional moves made and travel shall be allowed on
19 state highways. The following restrictions on travel times shall apply to:

20 (1) Freeways -- in general.

21 No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
22 and 7:00 pm on any day of the week.

23 (2) Arterial roadways.

24 No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
25 and 7:00 pm, Monday through Friday.

26 (3) Holidays.

27 Memorial Day, Victory Day, Labor Day and Columbus Day -- No Saturday, Sunday, or
28 Monday day or night travel.

29 Thanksgiving Day -- No Wednesday night or Thursday day or night travel. No travel on
30 Wednesday through Sunday of Thanksgiving week in any calendar year.

31 Independence Day, Veterans Day, Christmas Day -- No day or night travel and no travel
32 the previous night.

33 Easter Sunday. No Saturday night or Sunday travel.

34 (f) Construction equipment blanket permits shall not be granted for travel over the

1 following bridges:

2 Blackstone River Viaduct 750 carrying I-295 northbound and southbound over the
3 Blackstone River;

4 Kingston Road Bridge No. 403 carrying I-95 northbound and southbound over Kingston
5 Road.

6 (g) Travel of blanket permitted construction equipment through zones with reductions in
7 lane width such as construction zones will not be allowed. Prior to travel, blanket permit holders
8 are responsible to verify the location of construction zones and lane width reductions. Locations
9 of lane width reduction zones are available through the state department of transportation's
10 construction office.

11 SECTION 2. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor
12 Fuel Tax" is hereby amended to read as follows:

13 **31-36-20. Disposition of proceeds.**

14 (a) Notwithstanding any other provision of law to the contrary, all moneys paid into the
15 general treasury under the provisions of this chapter or chapter 37 of this title, and title 46 shall be
16 applied to and held in a separate fund and be deposited in any depositories that may be selected
17 by the general treasurer to the credit of the fund, which fund shall be known as the Intermodal
18 Surface Transportation Fund; provided, that in fiscal year 2004 for the months of July through
19 April six and eighty-five hundredth cents (\$0.0685) per gallon of the tax imposed and accruing
20 for the liability under the provisions of § 31-36-7, less refunds and credits, shall be transferred to
21 the Rhode Island public transit authority as provided under § 39-18-21. For the months of May
22 and June in fiscal year 2004, the allocation shall be five and five hundredth cents (\$0.0505).
23 Thereafter, until fiscal year 2006, the allocation shall be six and twenty-five hundredth cents
24 (\$0.0625). For fiscal years 2006 through FY 2008, the allocation shall be seven and twenty-five
25 hundredth cents (\$0.0725); provided, that expenditures shall include the costs of a market survey
26 of non-transit users and a management study of the agency to include the feasibility of moving
27 the Authority into the Department of Transportation, both to be conducted under the auspices of
28 the state budget officer. The state budget officer shall hire necessary consultants to perform the
29 studies, and shall direct payment by the Authority. Both studies shall be transmitted by the
30 Budget Officer to the 2006 session of the General Assembly, with comments from the Authority.
31 For fiscal year 2009, the allocation shall be seven and seventy-five hundredth cents (\$0.0775), of
32 which one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental
33 protection fee pursuant to § 46-12.9-11. For fiscal years 2010 and thereafter, the allocation shall
34 be nine and seventy-five hundredth cents (\$0.0975), of which of one-half cent (\$0.005) shall be

1 derived from the one cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-
2 11. For fiscal years 2020 and thereafter, to the extent that the gasoline tax is adjusted in
3 accordance with § 31-36-7, the allocation shall be ten and twenty-five hundredth cents (\$0.1025),
4 of which one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon
5 environmental protection fee pursuant to § 46-12.9-11. One cent (\$0.01) per gallon shall be
6 transferred to the Elderly/Disabled Transportation Program of the department of human services,
7 and the remaining cents per gallon shall be available for general revenue as determined by the
8 following schedule:

9 (i) For the fiscal year 2000, three and one fourth cents (\$0.0325) shall be available for
10 general revenue.

11 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
12 general revenue.

13 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
14 revenue.

15 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
16 general revenue.

17 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
18 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
19 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
20 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year
21 2006 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

22 (2) All deposits and transfers of funds made by the tax administrator under this section,
23 including those to the Rhode Island public transit authority, the department of human services, the
24 Rhode Island turnpike and bridge authority, and the general fund, shall be made within twenty-
25 four (24) hours of receipt or previous deposit of the funds in question.

26 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
27 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined
28 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
29 election of the Director of the Rhode Island Department of Transportation, with the approval of
30 the Director of the Department of Administration, to an indenture trustee, administrator, or other
31 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax
32 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint
33 Resolution and Enactment Approving the Financing of Various Department of Transportation
34 Projects adopted during the 2003 session of the General Assembly, and approved by the

1 Governor.

2 (4) Commencing in fiscal year 2015, three and one-half cents (\$0.035) shall be
3 transferred to the Rhode Island Turnpike and Bridge Authority to be used for maintenance,
4 operations, capital expenditures and debt service on any of its projects as defined in chapter 12 of
5 title 24 in lieu of a toll on the Sakonnet River Bridge. The Rhode Island turnpike and bridge
6 authority is authorized to remit to an indenture trustee, administrator, or other third-party
7 fiduciary any or all of the foregoing transfers in order to satisfy and/or secure its revenue bonds
8 and notes and/or debt service payments thereon, including, but not limited to, the bonds and notes
9 issued pursuant to the Joint Resolution set forth in Section 3 of Article 6 of Chapter 23 of the
10 Public Laws of 2010. Notwithstanding any other provision of said Joint Resolution, the Rhode
11 Island turnpike and bridge authority is expressly authorized to issue bonds and notes previously
12 authorized under said Joint Resolution for the purpose of financing all expenses incurred by it for
13 the formerly authorized tolling of the Sakonnet River Bridge and the termination thereof.

14 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund
15 shall be dedicated to the department of transportation, subject to annual appropriation by the
16 general assembly. The director of transportation shall submit to the general assembly, budget
17 office and office of the governor annually an accounting of all amounts deposited in and credited
18 to the fund together with a budget for proposed expenditures for the succeeding fiscal year in
19 compliance with §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state
20 controller is authorized and directed to draw his or her orders upon the general treasurer for the
21 payments of any sum or portion of the sum that may be required from time to time upon receipt
22 of properly authenticated vouchers.

23 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
24 department of transportation, not to exceed the amount authorized by the general assembly, the
25 general treasurer is authorized, with the approval of the governor and the director of
26 administration, in anticipation of the receipts of monies enumerated in § 31-36-20 to advance
27 sums to the fund, for the purposes specified in § 31-36-20, any funds of the state not specifically
28 held for any particular purpose. However, all the advances made to the fund shall be returned to
29 the general fund immediately upon the receipt by the fund of proceeds resulting from the receipt
30 of monies to the extent of the advances.

31 SECTION 3. Section 39-18.1-5 of the General Laws in Chapter 39-18.1 entitled
32 "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as
33 follows:

34 **39-18.1-5. Allocation of funds.**

1 (a) The monies in the highway maintenance fund to be directed to the department of
2 transportation pursuant to subsection (a)(1) of this section shall be allocated through the
3 transportation improvement program process to provide the state match for federal transportation
4 funds, in place of borrowing, as approved by the state planning council. The expenditure of
5 moneys in the highway maintenance fund shall only be authorized for projects that appear in the
6 state's transportation improvement program.

7 (b) Provided, however, that beginning with fiscal year 2015 and annually thereafter, the
8 department of transportation will allocate necessary funding to programs that are designed to
9 eliminate structural deficiencies of the state's bridge, road, and maintenance systems and
10 infrastructure.

11 (c) Provided, further, that beginning July 1, 2015, five percent (5%) of available proceeds
12 in the Rhode Island highway maintenance account shall be allocated annually to the Rhode Island
13 public transit authority for operating expenditures.

14 (d) Provided, further, that from July 1, 2017, through ~~June 30, 2019~~ June 30, 2020, in
15 addition to the amount above, the Rhode Island public transit authority shall receive an amount of
16 not less than five million dollars (\$5,000,000) each fiscal year.

17 (e) Provided, further, that the Rhode Island public transit authority shall convene a
18 coordinating council consisting of those state agencies responsible for meeting the needs of low-
19 income seniors and persons with disabilities, along with those stakeholders that the authority
20 deems appropriate and are necessary to inform, develop, and implement the federally required
21 Coordinated Public Transit Human Services Transportation Plan.

22 The council shall develop, as part of the state's federally required plan, recommendations
23 for the appropriate and sustainable funding of the free-fare program for low-income seniors and
24 persons with disabilities, while maximizing the use of federal funds available to support the
25 transportation needs of this population.

26 The council shall report these recommendations to the governor, the speaker of the house
27 of representatives, and the president of the senate no later than November 1, 2018.

28 (f) Provided, further, that beginning July 1, 2019, the department of transportation shall
29 reimburse the division of motor vehicles for the cost of salaries and benefits for customer service
30 representatives (I & II) or equivalent positions incurred for collecting monies described in § 39-
31 18.1-4 (b).

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

33 ARTICLE 9

34 RELATING TO LOCAL AID

1 SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
2 Subject to Taxation" is hereby amended to read as follows:

3 **44-3-3. Property exempt.**

4 (a) The following property is exempt from taxation:

5 (1) Property belonging to the state, except as provided in § 44-4-4.1;

6 (2) Lands ceded or belonging to the United States;

7 (3) Bonds and other securities issued and exempted from taxation by the government of
8 the United States or of this state;

9 (4) Real estate, used exclusively for military purposes, owned by chartered or
10 incorporated organizations approved by the adjutant general and composed of members of the
11 national guard, the naval militia, or the independent, chartered-military organizations;

12 (5) Buildings for free public schools, buildings for religious worship, and the land upon
13 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
14 far as the buildings and land are occupied and used exclusively for religious or educational
15 purposes;

16 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
17 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
18 owned by, or held in trust for, any religious organization and actually used by its officiating
19 clergy; provided, further, that in the town of Charlestown, where the property previously
20 described in this paragraph is exempt in total, along with dwelling houses and the land on which
21 they stand in Charlestown, not exceeding one acre in size, or the minimum lot size for zone in
22 which the dwelling house is located, whichever is the greater, owned by, or held in trust for, any
23 religious organization and actually used by its officiating clergy, or used as a convent, nunnery, or
24 retreat center by its religious order;

25 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
26 organization, if the principal or income is used or appropriated for religious or charitable
27 purposes;

28 (8) Buildings and personal estate owned by any corporation used for a school, academy,
29 or seminary of learning, and of any incorporated public charitable institution, and the land upon
30 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
31 so far as they are used exclusively for educational purposes, but no property or estate whatever is
32 hereafter exempt from taxation in any case where any part of its income or profits, or of the
33 business carried on there, is divided among its owners or stockholders; provided, however, that
34 unless any private nonprofit corporation organized as a college or university located in the town

1 of Smithfield reaches a memorandum of agreement with the town of Smithfield, the town of
2 Smithfield shall bill the actual costs for police, fire, and rescue services supplied, unless
3 otherwise reimbursed, to said corporation commencing March 1, 2014;

4 (9) Estates, persons, and families of the president and professors for the time being of
5 Brown University for not more than ten thousand dollars (\$10,000) for each officer, the officer's
6 estate, person, and family included, but only to the extent that any person had claimed and
7 utilized the exemption prior to, and for a period ending, either on or after December 31, 1996;

8 (10) Property especially exempt by charter unless the exemption has been waived in
9 whole or in part;

10 (11) Lots of land exclusively for burial grounds;

11 (12) Property, real and personal, held for, or by, an incorporated library, society, or any
12 free public library, or any free public library society, so far as the property is held exclusively for
13 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
14 generally, or for a nonprofit hospital for the sick or disabled so far as the property is used
15 exclusively for the purpose for which the nonprofit hospital is incorporated, and provided that
16 where part of a property owned by a nonprofit hospital is used exclusively for hospital purposes
17 and part of said property is not used exclusively for hospital purposes, then the part of said
18 property used exclusively for hospital purposes shall be exempt from taxation, and the personal
19 property located within said property used exclusively for hospital purposes shall be exempt from
20 taxation;

21 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated
22 organizations of veterans of any war in which the United States has been engaged, the parent
23 body of which has been incorporated by act of Congress, to the extent of four hundred thousand
24 dollars (\$400,000) if actually used and occupied by the association; provided, that the city council
25 of the city of Cranston may by ordinance exempt the real or personal estate as previously
26 described in this subdivision located within the city of Cranston to the extent of five hundred
27 thousand dollars (\$500,000);

28 (14) Property, real and personal, held for, or by, the fraternal corporation, association, or
29 body created to build and maintain a building or buildings for its meetings or the meetings of the
30 general assembly of its members, or subordinate bodies of the fraternity, and for the
31 accommodation of other fraternal bodies or associations, the entire net income of which real and
32 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
33 asylums, a home or homes, a school or schools, for the free education or relief of the members of
34 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,

1 their wives, widows, or orphans, and any fund given or held for the purpose of public education,
2 almshouses, and the land and buildings used in connection therewith;

3 (15) Real estate and personal property of any incorporated volunteer fire engine company
4 or incorporated volunteer ambulance or rescue corps in active service;

5 (16) The estate of any person who, in the judgment of the assessors, is unable from
6 infirmity or poverty to pay the tax; provided, that in the towns of Burrillville and West
7 Greenwich, the tax shall constitute a lien for five (5) years on the property where the owner is
8 entitled to the exemption. At the expiration of five (5) years, the lien shall be abated in full.
9 Provided, if the property is sold or conveyed, or if debt secured by the property is refinanced
10 during the five-year (5) period, the lien immediately becomes due and payable; any person
11 claiming the exemption aggrieved by an adverse decision of an assessor shall appeal the decision
12 to the local board of tax review and thereafter according to the provisions of § 44-5-26;

13 (17) Household furniture and family stores of a housekeeper in the whole, including
14 clothing, bedding, and other white goods, books, and all other tangible personal property items
15 that are common to the normal household;

16 (18) Improvements made to any real property to provide a shelter and fallout protection
17 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided,
18 that the improvements meet applicable standards for shelter construction established, from time to
19 time, by the Rhode Island emergency management agency. The improvements are deemed to
20 comply with the provisions of any building code or ordinance with respect to the materials or the
21 methods of construction used and any shelter or its establishment is deemed to comply with the
22 provisions of any zoning code or ordinance;

23 (19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

24 (20) Manufacturer's inventory.

25 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to
26 be a manufacturer within a city or town within this state if that person uses any premises, room,
27 or place in it primarily for the purpose of transforming raw materials into a finished product for
28 trade through any or all of the following operations: adapting, altering, finishing, making, and
29 ornamenting; provided, that public utilities; non-regulated power producers commencing
30 commercial operation by selling electricity at retail or taking title to generating facilities on or
31 after July 1, 1997; building and construction contractors; warehousing operations, including
32 distribution bases or outlets of out-of-state manufacturers; and fabricating processes incidental to
33 warehousing or distribution of raw materials, such as alteration of stock for the convenience of a
34 customer; are excluded from this definition;

1 (ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's
2 inventory", or any similar term, means and includes the manufacturer's raw materials, the
3 manufacturer's work in process, and finished products manufactured by the manufacturer in this
4 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
5 divested; provided, that the term does not include any finished products held by the manufacturer
6 in any retail store or other similar selling place operated by the manufacturer whether or not the
7 retail establishment is located in the same building in which the manufacturer operates the
8 manufacturing plant;

9 (iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business
10 in this state consists of transforming raw materials into a finished product for trade through any or
11 all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be
12 principally engaged if the gross receipts that person derived from the manufacturing operations in
13 this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to more than
14 fifty percent (50%) of the total gross receipts that person derived from all the business activities
15 in which that person engaged in this state during the taxable year. For the purpose of computing
16 the percentage, gross receipts derived by a manufacturer from the sale, lease, or rental of finished
17 products manufactured by the manufacturer in this state, even though the manufacturer's store or
18 other selling place may be at a different location from the location of the manufacturer's
19 manufacturing plant in this state, are deemed to have been derived from manufacturing;

20 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
21 "manufacturer" also includes persons who are principally engaged in any of the general activities
22 coded and listed as establishments engaged in manufacturing in the Standard Industrial
23 Classification Manual prepared by the Technical Committee on Industrial Classification, Office
24 of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as
25 revised from time to time, but eliminating as manufacturers those persons, who, because of their
26 limited type of manufacturing activities, are classified in the manual as falling within the trade
27 rather than an industrial classification of manufacturers. Among those thus eliminated, and
28 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
29 primarily engaged in selling, to the general public, products produced on the premises from which
30 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
31 custom tailors, except, that a person who manufactures bakery products for sale primarily for
32 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
33 are operated by the person, is a manufacturer within the meaning of this paragraph;

34 (v) The term "Person" means and includes, as appropriate, a person, partnership, or

1 corporation; and

2 (vi) The department of revenue shall provide to the local assessors any assistance that is

3 necessary in determining the proper application of the definitions in this subdivision;

4 (21) Real and tangible personal property acquired to provide a treatment facility used

5 primarily to control the pollution or contamination of the waters or the air of the state, as defined

6 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been

7 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state

8 requirements or standards for the control of water or air pollution or contamination, and certified

9 as approved in an order entered by the director of environmental management. The property is

10 exempt as long as it is operated properly in compliance with the order of approval of the director

11 of environmental management; provided, that any grant of the exemption by the director of

12 environmental management in excess of ten (10) years is approved by the city or town in which

13 the property is situated. This provision applies only to water and air pollution control properties

14 and facilities installed for the treatment of waste waters and air contaminants resulting from

15 industrial processing; furthermore, it applies only to water or air pollution control properties and

16 facilities placed in operation for the first time after April 13, 1970;

17 (22) New manufacturing machinery and equipment acquired or used by a manufacturer

18 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

19 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of

20 raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision

21 (20), and machinery, fixtures, and equipment used exclusively by a manufacturer for research and

22 development or for quality assurance of its manufactured products;

23 (ii) Machinery and equipment that is partially used in the actual manufacture or

24 conversion of raw materials or goods in process of manufacture by a manufacturer, as defined in

25 subdivision (20), and machinery, fixtures, and equipment used by a manufacturer for research and

26 development or for quality assurance of its manufactured products, to the extent to which the

27 machinery and equipment is used for the manufacturing processes, research and development, or

28 quality assurance. In the instances where machinery and equipment is used in both manufacturing

29 and/or research and development and/or quality assurance activities and non-manufacturing

30 activities, the assessment on machinery and equipment is prorated by applying the percentage of

31 usage of the equipment for the manufacturing, research and development, and quality-assurance

32 activity to the value of the machinery and equipment for purposes of taxation, and the portion of

33 the value used for manufacturing, research and development, and quality assurance is exempt

34 from taxation. The burden of demonstrating this percentage usage of machinery and equipment

1 for manufacturing and for research and development and/or quality assurance of its manufactured
2 products rests with the manufacturer; and

3 (iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was
4 purchased after July 1, 1997; provided that the city or town council of the city or town in which
5 the machinery and equipment is located adopts an ordinance exempting the machinery and
6 equipment from taxation. For purposes of this subsection, city councils and town councils of any
7 municipality may, by ordinance, wholly or partially exempt from taxation the machinery and
8 equipment discussed in this subsection for the period of time established in the ordinance and
9 may, by ordinance, establish the procedures for taxpayers to avail themselves of the benefit of
10 any exemption permitted under this section; provided, that the ordinance does not apply to any
11 machinery or equipment of a business, subsidiary, or any affiliated business that locates or
12 relocates from a city or town in this state to another city or town in the state;

13 (23) Precious metal bullion, meaning any elementary metal that has been put through a
14 process of melting or refining, and that is in a state or condition that its value depends upon its
15 content and not its form. The term does not include fabricated precious metal that has been
16 processed or manufactured for some one or more specific and customary industrial, professional,
17 or artistic uses;

18 (24) Hydroelectric power-generation equipment, which includes, but is not limited to,
19 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
20 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
21 hydroelectric power-generation equipment must have been purchased after July 1, 1979, and
22 acquired or used by a person or corporation who or that owns or leases a dam and utilizes the
23 equipment to generate hydroelectric power;

24 (25) Subject to authorization by formal action of the council of any city or town, any real
25 or personal property owned by, held in trust for, or leased to an organization incorporated under
26 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
27 out in § 18-9-4, as amended, or an organization incorporated under the not-for-profits statutes of
28 another state or the District of Columbia, the purpose of which is the conserving of open space, as
29 that term is defined in chapter 36 of title 45, as amended, provided the property is used
30 exclusively for the purposes of the organization;

31 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
32 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,
33 or the treatment of "hazardous wastes", as defined in § 23-19.1-4, where the "hazardous wastes"
34 are generated primarily by the same taxpayer and where the personal property is located at, in, or

1 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order
2 from the director of the department of environmental management certifying that the tangible
3 personal property has this function, which order effects a conclusive presumption that the tangible
4 personal property qualifies for the exemption under this subdivision. If any information relating
5 to secret processes or methods of manufacture, production, or treatment is disclosed to the
6 department of environmental management only to procure an order, and is a "trade secret" as
7 defined in § 28-21-10(b), it shall not be open to public inspection or publicly disclosed unless
8 disclosure is otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

9 (27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4
10 has been paid;

11 (28) Real and personal property of the Providence Performing Arts Center, a non-
12 business corporation as of December 31, 1986;

13 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
14 religious organization located in the city of Cranston;

15 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit
16 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited
17 liability company that is formed in connection with, or to facilitate the acquisition of, the
18 Providence YMCA Building;

19 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
20 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
21 liability company that is formed in connection with, or to facilitate the acquisition of, the
22 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
23 Providence, Rhode Island;

24 (32) The buildings, personal property, and land upon which the buildings stand, located
25 on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
26 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet
27 and is located approximately eight hundred sixty feet (860'), more or less, from the shore, and
28 limited exclusively to these said buildings, personal estate and land, provided that said property is
29 owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is
30 used exclusively for a lighthouse;

31 (33) The Stadium Theatre Performing Arts Centre building located in Monument Square,
32 Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by
33 the Stadium Theatre Foundation, a Rhode Island nonprofit corporation;

34 (34) Real and tangible personal property of St. Mary Academy -- Bay View, located in

1 East Providence, Rhode Island;

2 (35) Real and personal property of East Bay Community Action Program and its
3 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax-exempt
4 corporation under § 501(c)(3) of the United States Internal Revenue Code;

5 (36) Real and personal property located within the city of East Providence of the
6 Columbus Club of East Providence, a Rhode Island charitable nonprofit corporation;

7 (37) Real and personal property located within the city of East Providence of the
8 Columbus Club of Barrington, a Rhode Island charitable nonprofit corporation;

9 (38) Real and personal property located within the city of East Providence of Lodge 2337
10 BPO Elks, a Rhode Island nonprofit corporation;

11 (39) Real and personal property located within the city of East Providence of the St.
12 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation;

13 (40) Real and personal property located within the city of East Providence of the Trustees
14 of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode Island
15 nonprofit corporation;

16 (41) Real and personal property located on the first floor of 90 Leonard Avenue within
17 the city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation;

18 (42) Real and personal property located within the city of East Providence of the Cape
19 Verdean Museum Exhibit, a Rhode Island nonprofit corporation;

20 (43) The real and personal property owned by a qualified 501(c)(3) organization that is
21 affiliated and in good standing with a national, congressionally chartered organization and
22 thereby adheres to that organization's standards and provides activities designed for recreational,
23 educational, and character building purposes for children from ages six (6) years to seventeen
24 (17) years;

25 (44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music
26 School; provided, that the organization is qualified as a tax-exempt corporation under § 501(c)(3)
27 of the United States Internal Revenue Code;

28 (45) The real and personal property located within the town of West Warwick at 211
29 Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven
30 hundred fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of East
31 Greenwich, a Rhode Island nonprofit corporation;

32 (46) Real and personal property of the Comprehensive Community Action Program, a
33 qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

34 (47) Real and personal property located at 52 Plain Street, within the city of Pawtucket of

1 the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation;

2 (48) Renewable energy resources, as defined in § 39-26-5, used in residential systems

3 and associated equipment used therewith in service after December 31, 2015;

4 (49) Renewable energy resources, as defined in § 39-26-5, if employed by a

5 manufacturer, as defined in subsection (a) of this section, shall be exempt from taxation in

6 accordance with subsection (a) of this section;

7 (50) Real and personal property located at 415 Tower Hill Road within the town of North

8 Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under §

9 501(c)(3) of the United States Internal Revenue Code;

10 (51) As an effort to promote business growth, tangible business or personal property, in

11 whole or in part, within the town of Charlestown's community limits, subject to authorization by

12 formal action of the town council of the town of Charlestown;

13 (52) All real and personal property located at 1300 Frenchtown Road, within the town of

14 East Greenwich, identified as assessor's map 027, plat 019, lot 071, and known as the New

15 England Wireless and Steam Museum, Inc., a qualified tax-exempt corporation under § 501(c)(3)

16 of the United States Internal Revenue Code;

17 (53) Real and tangible personal property of Mount Saint Charles Academy located within

18 the city of Woonsocket, specifically identified as the following assessor's plats and lots: Logee

19 Street, plat 23, lot 62, Logee Street, plat 24, lots 304 and 305; Welles Street, plat 23, lot 310;

20 Monroe Street, plat 23, lot 312; and Roberge Avenue, plat 24, lot 47;

21 (54) Real and tangible personal property of Steere House, a Rhode Island nonprofit

22 corporation, located in Providence, Rhode Island;

23 (55) Real and personal property located within the town of West Warwick of Tides

24 Family Services, Inc., a Rhode Island nonprofit corporation;

25 (56) Real and personal property of Tides Family Services, Inc., a Rhode Island nonprofit

26 corporation, located in the city of Pawtucket at 242 Dexter Street, plat 44, lot 444;

27 (57) Real and personal property located within the town of Middletown of Lucy's Hearth,

28 a Rhode Island nonprofit corporation;

29 (58) Real and tangible personal property of Habitat for Humanity of Rhode Island--

30 Greater Providence, Inc., a Rhode Island nonprofit corporation, located in Providence, Rhode

31 Island;

32 (59) Real and personal property of the Artic Playhouse, a Rhode Island nonprofit

33 corporation, located in the town of West Warwick at 1249 Main Street;

34 (60) Real and personal property located at 321 Main Street, within the town of South

1 Kingstown, of the Contemporary Theatre Company, a qualified, tax-exempt corporation under §
2 501(c)(3) of the United States Internal Revenue Code;

3 (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §
4 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city
5 council of Pawtucket may from time to time determine;

6 (62) Real and personal property of North Kingstown, Exeter Animal Protection League,
7 Inc., dba "Pet Refuge," 500 Stony Lane, a Rhode Island nonprofit corporation, located in North
8 Kingstown, Rhode Island;

9 (63) Real and personal property located within the city of East Providence of Foster
10 Forward (formerly the Rhode Island Foster Parents Association), a Rhode Island charitable
11 nonprofit corporation; and

12 (64) Real and personal property located at 54 Kelly Avenue within the town of East
13 Providence, of the Associated Radio Amateurs of Southern New England, a Rhode Island
14 nonprofit corporation.

15 (b) Except as provided below, when a city or town taxes a for-profit hospital facility, the
16 value of its real property shall be the value determined by the most recent full revaluation or
17 statistical property update performed by the city or town; provided, however, in the year a
18 nonprofit hospital facility converts to or otherwise becomes a for-profit hospital facility, or a for-
19 profit hospital facility is initially established, the value of the real property and personal property
20 of the for-profit hospital facility shall be determined by a valuation performed by the assessor for
21 the purpose of determining an initial assessed value of real and personal property, not previously
22 taxed by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to
23 a right of appeal by the for-profit hospital facility which shall be made to the city or town tax
24 assessor with a direct appeal from an adverse decision to the Rhode Island superior court business
25 calendar.

26 A "for-profit hospital facility" includes all real and personal property affiliated with any
27 hospital as identified in an application filed pursuant to chapter 17 or 17.14 of title 23.
28 Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-
29 profit hospital facility under § 44-3-9 or other laws specific to the particular city or town relating
30 to stabilization agreements. In a year in which a nonprofit hospital facility converts to, or
31 otherwise becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise
32 established, in that year only the amount levied by the city or town and/or the amount payable
33 under the stabilization agreement for that year related to the for-profit hospital facility shall not be
34 counted towards determining the maximum tax levy permitted under § 44-5-2.

1 (c) Cities and towns. Authorization to impose taxes on certain properties of nonprofit
2 entities.

3 (1) Any laws or acts that incorporate, restate or amend the articles of incorporation of
4 nonprofit institutions of higher education or nonprofit hospitals and, which exempt real and
5 personal property from taxation are hereby amended to be consistent with subsections (a) through
6 (d) below as follows:

7 (a) All real and personal property shall be exempt from taxation so far as said property is
8 used exclusively for educational purposes by nonprofit institutions of higher education or hospital
9 purposes by nonprofit hospitals.

10 (b) Where part of a property owned by a nonprofit institution of higher education is used
11 exclusively for educational purposes and part of said property is not used exclusively for
12 educational purposes, then the part of said property used exclusively for educational purposes
13 shall be exempt from taxation, and the personal property located within said property used
14 exclusively for educational purposes shall be exempt from taxation.

15 (c) Where part of a property owned by a nonprofit hospital is used exclusively for
16 hospital purposes and part of said property is not used exclusively for hospital purposes, then the
17 part of said property used exclusively for hospital purposes shall be exempt from taxation, and the
18 personal property located within said property used exclusively for hospital purposes shall be
19 exempt from taxation.

20 (d) Notwithstanding §44-3-3(c)(1)(a), vacant lots, improved or unimproved, shall not be
21 exempt from taxation.

22 (2) In the event that a nonprofit institution of higher education or a nonprofit hospital has
23 made one or more voluntary payments in lieu of taxation during a tax year to a city or town with
24 respect to all or any portion of real or personal property, said payments shall be credited against
25 and shall reduce any taxes owed and due to the city or town for said tax year.

26 (3) Notwithstanding the exemption from taxation pursuant to §44-3-3(c)(1), cities and
27 towns are authorized to waive, or reduce taxes levied against real and personal property owned by
28 nonprofit institutions of higher education or nonprofit hospitals in the event the nonprofit
29 institutions of higher education or nonprofit hospitals agree to make payments in lieu of taxes.

30 (4) Cities and towns may use December 31st of the year prior to the effective date of this
31 section as the date of assessment for any property that first becomes subject to taxation as a result
32 of §44-3-3(c)(1) above.

33 (5) As used in this section, "nonprofit institution of higher education" means any
34 institution engaged primarily in education beyond the high school level, and "nonprofit hospital"

1 [means any nonprofit hospital licensed by the state and which is used for the purpose of general](#)
2 [medical, surgical, or psychiatric care and treatment.](#)

3 SECTION 2. Section 44-34-11 of the General Laws in Chapter 44-34 entitled "Excise on
4 Motor Vehicles and Trailers" is hereby amended to read as follows:

5 **44-34-11. Rhode Island vehicle value commission.**

6 (a) There is hereby authorized, created, and established the "Rhode Island vehicle value
7 commission" whose function it is to establish presumptive values of vehicles and trailers subject
8 to the excise tax.

9 (b) The commission shall consist of the following seven (7) members as follows:

10 (1) The director of the department of revenue or his/her designee from the department of
11 revenue;

12 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from
13 a city or town under ten thousand (10,000) population and at least one of whom is from a city or
14 town over fifty thousand (50,000) population. In making these appointments, the governor shall
15 give due consideration to the recommendations submitted by the President of the Rhode Island
16 League of Cities and Towns and each appointment shall be subject to the advice and consent of
17 the senate; and

18 (3) One motor vehicle dealer appointed by the governor upon giving due consideration to
19 the recommendation of the director of revenue and subject to the advice and consent of the
20 senate.

21 (4) All members shall serve for a term of three (3) years.

22 (5) Current legislative appointees shall cease to be members of the commission upon the
23 effective date of this act. Non-legislative appointees to the commission may serve out their terms
24 whereupon their successors shall be appointed in accordance with this act. No one shall be
25 eligible for appointment to the commission unless he or she is a resident of this state.

26 (6) Public members of the commission shall be removable by the governor pursuant to §
27 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or
28 fitness for the office shall be unlawful.

29 (7) The governor shall appoint a chairperson from the commission's members. The
30 commission shall elect from among its members other officers as it may deem appropriate.

31 (c) The commission shall annually determine the presumptive values of vehicles and
32 trailers subject to the excise tax in the following manner:

33 (1) Not earlier than September 30 and not later than December 31 of each year, the
34 commission shall by rule adopt a methodology for determining the presumptive value of vehicles

1 and trailers subject to the excise tax that shall give consideration to the following factors:

2 (i) The average retail price of similar vehicles of the same make, model, type, and year of
3 manufacture as reported by motor vehicle dealers or by official used car guides, such as that of
4 the National Automobile Dealers Association for New England. Where regional guides are not
5 available, the commission shall use other publications deemed appropriate; and

6 (ii) Other information concerning the average retail prices for make, model, type, and
7 year of manufacture of motor vehicles as the director and the Rhode Island vehicle value
8 commission may deem appropriate to determine fair values.

9 (iii) Notwithstanding the foregoing, the presumptive value of vehicles and trailers subject
10 to the excise tax shall not exceed the following percentage of clean retail value for those vehicles
11 reported by the National Automobile Dealers Association Official Used Car Guide New England
12 Edition:

13 FISCAL YEAR	PERCENTAGE
14 2018	95%
15 2019	90%
16 2020	85% <u>87.5%</u>
17 2021	80% <u>84%</u>
18 2022	75% <u>79%</u>
19 2023	70% <u>67.5%</u>

20 In the event that no such clean retail value is reported, the presumptive value shall not
21 exceed the above percentages of the following:

22 (A) Manufacturer's suggested retail price (MSRP) for new model year vehicles as
23 reported by the National Automobile Dealers Association Guides; or

24 (B) Average retail value for those vehicles reported by the National Automobile Dealers
25 Association Official Used Car Guide National Edition and
26 Motorcycle/Snowmobile/ATV/Personal Watercraft Appraisal Guide; or

27 (C) Used retail value for those vehicles reported in the National Association of
28 Automobile Dealers Recreational Vehicle Appraisal Guide; or

29 (D) Low value for those vehicles reported in the National Automobile Dealers
30 Association Classic, Collectible, Exotic and Muscle Car Appraisal Guide & Directory.

31 (2) On or before February 1 of each year, it shall adopt a list of values for vehicles and
32 trailers of the same make, model, type, and year of manufacture as of the preceding December 31
33 in accordance with the methodology adopted between September 30 and December 31; the list
34 shall be subject to a public hearing at least five (5) business days prior to the date of its adoption.

1 (3) Nothing in this section shall be deemed to require the commission to determine the
2 presumptive value of vehicles and trailers that are unique, to which special equipment has been
3 added or to which special modifications have been made, or for which adequate information is
4 not available from the sources referenced in subdivision (1) of this subsection; provided, that the
5 commission may consider those factors in its lists or regulations.

6 (4) The commission shall annually provide the list of presumptive values of vehicles and
7 trailers to each tax assessor on or before February 15 of each year.

8 (d) The commission shall adopt rules governing its organization and the conduct of its
9 business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a
10 simple majority of the members of the commission, as provided for in subsection (b) of this
11 section, is necessary for a quorum, which quorum by majority vote shall have the power to
12 conduct business in the name of the commission. The commission may adopt rules and elect from
13 among its members such other officers as it deems necessary.

14 (e) The commission shall have the power to contract for professional services that it
15 deems necessary for the development of the methodology for determining presumptive values; for
16 calculating presumptive values according to the methodology; and for preparing the list of
17 presumptive values in a form and format that is generally usable by cities and towns in their
18 preparation of tax bills. The commission shall also have the power to incur reasonable expenses
19 in the conduct of its business as required by this chapter and to authorize payments for the
20 expenses.

21 (f) Commission members shall receive no compensation for the performance of their
22 duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

23 (g) The commission shall respond to petitions of appeal by local boards of review in
24 accordance with the provisions of § 44-34-9.

25 (h) The commission shall establish, by rule, procedures for adopting an annual budget
26 and for administering its finances. After July 1, 1986, one-half (1/2) of the cost of the
27 commission's operations shall be borne by the state and one-half (1/2) shall be borne by cities and
28 towns within the state, with the city and town share distributed among cities and towns on a per
29 capita basis.

30 (i) Within ninety (90) days after the end of each fiscal year, the commission shall approve
31 and submit an annual report to the governor, the speaker of the house of representatives, the
32 president of the senate, and the secretary of state of its activities during that fiscal year. The report
33 shall provide: an operating statement summarizing meetings or hearings held, meeting minutes if
34 requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies

1 conducted, policies and plans developed, approved, or modified, and programs administered or
2 initiated; a consolidated financial statement of all funds received and expended including the
3 source of the funds, a listing of any staff supported by these funds, and a summary of any clerical,
4 administrative or technical support received; a summary of performance during the previous
5 fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings,
6 complaints, suspensions, or other legal matters related to the authority of the commission; a
7 summary of any training courses held pursuant to this subsection, a briefing on anticipated
8 activities in the upcoming fiscal year; and findings and recommendations for improvements. The
9 report shall be posted electronically on the general assembly and the secretary of state's websites
10 as prescribed in § 42-20-8.2. The director of the department of revenue shall be responsible for
11 the enforcement of this provision.

12 SECTION 3. Section 44-34.1-1 of the General Laws in Chapter 44-34.1 entitled "Motor
13 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

14 **44-34.1-1. Excise tax phase-out.**

15 (a)(1) Notwithstanding the provisions of chapter 34 of this title or any other provisions to
16 the contrary, the motor vehicle and trailer excise tax established by § 44-34-1 may be phased out.
17 The phase-out shall apply to all motor vehicles and trailers, including leased vehicles.

18 (2) Lessors of vehicles that pay excise taxes directly to municipalities shall provide
19 lessees, at the time of entering into the lease agreement, an estimate of annual excise taxes
20 payable throughout the term of the lease. In the event the actual excise tax is less than the
21 estimated excise tax, the lessor shall annually rebate to the lessee the difference between the
22 actual excise tax and the estimated excise tax.

23 (b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a value
24 by the vehicle value commission. That value shall be assessed according to the provisions of §
25 44-34-11(c)(1) and in accordance with the terms as defined in subsection (d) of this section;
26 provided, however, that the maximum taxable value percentage applicable to model year values
27 as of December 31, 1997, shall continue to be applicable in future year valuations aged by one
28 year in each succeeding year.

29 (c)(1) The motor vehicle excise tax phase-out shall commence with the excise tax bills
30 mailed to taxpayers for the fiscal year 2000. The phase-out, beyond fiscal year 2003, shall be
31 subject to annual review and appropriation by the general assembly. The tax assessors of the
32 various cities and towns and fire districts shall reduce the average retail value of each vehicle
33 assessed by using the prorated exemptions from the following table:

34 Local Fiscal Year Exempt from value Local Exemption State fiscal year Reimbursement

1	fiscal year 1999	0	\$1,500
2	fiscal year 2000	\$1,500	\$2,500
3	fiscal year 2001	\$2,500	\$3,500
4	fiscal year 2002	\$3,500	\$4,500
5	fiscal years 2003, 2004 and 2005	\$4,500	\$4,500
6	for fiscal year 2006 and	\$5,000	\$5,000
7	for fiscal year 2007	\$6,000	\$6,000

8 for fiscal years 2008, 2009 and 2010 the exemption and the state fiscal year

9 reimbursement shall be increased, at a minimum, to the maximum amount to the nearest two

10 hundred and fifty dollar (\$250) increment within the allocation of one and twenty-two hundredths

11 percent (1.22%) of net terminal income derived from video lottery games pursuant to the

12 provisions of § 42-61-15, and in no event shall the exemption in any fiscal year be less than the

13 prior fiscal year.

14 (i) For fiscal year 2011 through fiscal year 2017, the exemption shall be five hundred

15 dollars (\$500). Cities and towns may provide an additional exemption; provided, however, any

16 such additional exemption shall not be subject to reimbursement.

17 (ii) For fiscal year 2018, cities, towns, and fire districts shall provide an exemption equal

18 to the greater of one thousand dollars (\$1,000) or the exemption in effect in fiscal year 2017.

19 (iii) For fiscal year 2019, cities, towns, and fire districts shall provide an exemption equal

20 to the greater of two thousand dollars (\$2,000) or the exemption in effect in fiscal year 2017.

21 (iv) For fiscal year 2020, cities, towns, and fire districts shall provide an exemption equal

22 to the greater of ~~three thousand dollars (\$3,000)~~ two thousand eight hundred dollars (\$2,800) (or

23 the exemption in effect in fiscal year 2017.

24 (v) For fiscal year 2021, cities, towns, and fire districts shall provide an exemption equal

25 to the greater of ~~four thousand dollars (\$4,000)~~ three thousand eight hundred dollars (\$3,800) or

26 the exemption in effect in fiscal year 2017.

27 (vi) For fiscal year 2022, cities, towns, and fire districts shall provide an exemption equal

28 to the greater of ~~five thousand dollars (\$5,000)~~ four thousand eight hundred dollars (\$4,800) or

29 the exemption in effect in fiscal year 2017.

30 (vii) For fiscal year 2023, cities, towns, and fire districts shall provide an exemption

31 equal to the greater of six thousand dollars (\$6,000) or the exemption in effect in fiscal year 2017.

32 (viii) For fiscal year 2024 and thereafter, no tax shall be levied.

33 (2) The excise tax phase-out shall provide levels of assessed value reductions until the tax

34 is eliminated or reduced as provided in this chapter.

1 (3) Current exemptions shall remain in effect as provided in this chapter.

2 (4) The excise tax rates and ratios of assessment shall be maintained at a level identical to
3 the level in effect for fiscal year 1998 for each city, town, and fire district; provided, in the town
4 of Johnston, the excise tax rate and ratios of assessment shall be maintained at a level identical to
5 the level in effect for fiscal year 1999 levels and the levy of a city, town, or fire district shall be
6 limited to the lesser of the maximum taxable value or net assessed value for purposes of
7 collecting the tax in any given year. Provided, however, for fiscal year 2011 through fiscal year
8 2017, the rates and ratios of assessment may be less than but not more than the rates described in
9 this subsection (4).

10 (5) For fiscal year 2018 and thereafter, the excise tax rate applied by a city, town, or fire
11 district, shall not exceed the rate in effect in fiscal year 2017 and shall not exceed the rate set
12 forth below:

13 Fiscal Year	Tax Rate (Per \$1,000 of Value)
14 2018	\$60.00
15 2019	\$50.00
16 2020	\$35.00 <u>\$40.00</u>
17 2021	\$35.00
18 2022	\$30.00
19 2023	\$20.00 <u>\$25.00</u>

20 (6) In no event shall a taxpayer be billed more than the prior year for a vehicle owned up
21 to the same number of days unless an increased bill is the result of no longer being eligible for a
22 local tax exemption.

23 (d) Definitions.

24 (1) "Maximum taxable value" means the value of vehicles as prescribed by § 44-34-11
25 reduced by the percentage of assessed value applicable to model year values as determined by the
26 Rhode Island vehicle value commission as of December 31, 1997, for the vehicles valued by the
27 commission as of December 31, 1997. For all vehicle value types not valued by the Rhode Island
28 vehicle value commission as of December 31, 1997, the maximum taxable value shall be the
29 latest value determined by a local assessor from an appropriate pricing guide, multiplied by the
30 ratio of assessment used by that city, town, or fire district for a particular model year as of
31 December 31, 1997. The maximum taxable value shall be determined in such a manner as to
32 incorporate the application of the percentage corresponding with the appropriate fiscal year as
33 specified in § 44-34-11(c)(1)(iii).

34 (2) "Net assessed value" means the motor vehicle values as determined in accordance

1 with § 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state
2 of Rhode Island exemption value as provided for in subsection (c)(1) of this section.

3 (e) If any provision of this chapter shall be held invalid by any court of competent
4 jurisdiction, the remainder of this chapter and the applications of the provisions hereof shall not
5 be effected thereby.

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

7 ARTICLE 10

8 RELATING TO UNIVERSAL PREKINDERGARTEN

9 SECTION 1. Section 16-7.2-6 of the General Laws in Chapter 16-7.2 entitled "The
10 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

11 **16-7.2-6. Categorical programs, state funded expenses.**

12 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the
13 permanent foundation education-aid program shall provide direct state funding for:

14 (a) Excess costs associated with special education students. Excess costs are defined
15 when an individual special education student's cost shall be deemed to be "extraordinary".
16 Extraordinary costs are those educational costs that exceed the state-approved threshold based on
17 an amount above five times the core foundation amount (total of core-instruction amount plus
18 student success amount). The department of elementary and secondary education shall prorate the
19 funds available for distribution among those eligible school districts if the total approved costs for
20 which school districts are seeking reimbursement exceed the amount of funding appropriated in
21 any fiscal year; and the department of elementary and secondary education shall also collect data
22 on those educational costs that exceed the state-approved threshold based on an amount above
23 two (2), three (3), and four (4) times the core-foundation amount;

24 (b) Career and technical education costs to help meet initial investment requirements
25 needed to transform existing, or create new, comprehensive, career and technical education
26 programs and career pathways in critical and emerging industries and to help offset the higher-
27 than-average costs associated with facilities, equipment maintenance and repair, and supplies
28 necessary for maintaining the quality of highly specialized programs that are a priority for the
29 state. The department shall develop criteria for the purpose of allocating any and all career and
30 technical education funds as may be determined by the general assembly on an annual basis. The
31 department of elementary and secondary education shall prorate the funds available for
32 distribution among those eligible school districts if the total approved costs for which school
33 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

34 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten

1 programs. The department shall recommend criteria for the purpose of allocating any and all early
2 childhood program funds ~~as may be determined by the general assembly~~ [consistent with chapter](#)
3 [16-87](#);

4 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to ensure
5 that appropriate funding is available to support their students. Additional support for Central Falls
6 is needed due to concerns regarding the city's capacity to meet the local share of education costs.
7 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs
8 outside the permanent foundation education-aid formula, including, but not limited to,
9 transportation, facility maintenance, and retiree health benefits shall be shared between the state
10 and the city of Central Falls. The fund shall be annually reviewed to determine the amount of the
11 state and city appropriation. The state's share of this fund may be supported through a reallocation
12 of current state appropriations to the Central Falls school district. At the end of the transition
13 period defined in § 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24.
14 Additional support for the Davies and the Met Center is needed due to the costs associated with
15 running a stand-alone high school offering both academic and career and technical coursework.
16 The department shall recommend criteria for the purpose of allocating any and all stabilization
17 funds as may be determined by the general assembly;

18 (e) Excess costs associated with transporting students to out-of-district non-public
19 schools. This fund will provide state funding for the costs associated with transporting students to
20 out-of-district non-public schools, pursuant to chapter 21.1 of this title. The state will assume the
21 costs of non-public out-of-district transportation for those districts participating in the statewide
22 system. The department of elementary and secondary education shall prorate the funds available
23 for distribution among those eligible school districts if the total approved costs for which school
24 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

25 (f) Excess costs associated with transporting students within regional school districts.
26 This fund will provide direct state funding for the excess costs associated with transporting
27 students within regional school districts, established pursuant to chapter 3 of this title. This fund
28 requires that the state and regional school district share equally the student transportation costs
29 net any federal sources of revenue for these expenditures. The department of elementary and
30 secondary education shall prorate the funds available for distribution among those eligible school
31 districts if the total approved costs for which school districts are seeking reimbursement exceed
32 the amount of funding available in any fiscal year;

33 (g) Public school districts that are regionalized shall be eligible for a regionalization
34 bonus as set forth below:

(1) As used herein, the term "regionalized" shall be deemed to refer to a regional school district established under the provisions of chapter 3 of this title, including the Chariho Regional School district;

(2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the regionalization bonus shall commence in the first fiscal year following the establishment of a regionalized school district as set forth in chapter 3 of this title, including the Chariho Regional School District;

(3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the state's share of the foundation education aid for the regionalized district as calculated pursuant to §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

(4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the state's share of the foundation education aid for the regionalized district as calculated pursuant to §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

(5) The regionalization bonus shall cease in the third fiscal year;

(6) The regionalization bonus for the Chariho regional school district shall be applied to the state share of the permanent foundation education aid for the member towns; and

(7) The department of elementary and secondary education shall prorate the funds available for distribution among those eligible regionalized school districts if the total, approved costs for which regionalized school districts are seeking a regionalization bonus exceed the amount of funding appropriated in any fiscal year;

(h) Additional state support for English learners (EL). The amount to support EL students shall be determined by multiplying an EL factor of ten percent (10%) by the core-instruction per-pupil amount defined in § 16-7.2-3(a)(1) and applying that amount of additional state support to EL students identified using widely adopted, independent standards and assessments identified by the commissioner. All categorical funds distributed pursuant to this subsection must be used to provide high-quality, research-based services to EL students and managed in accordance with requirements set forth by the commissioner of elementary and secondary education. The department of elementary and secondary education shall collect performance reports from districts and approve the use of funds prior to expenditure. The department of elementary and secondary education shall ensure the funds are aligned to activities that are innovative and expansive and not utilized for activities the district is currently funding. The department of elementary and secondary education shall prorate the funds available for distribution among eligible recipients if the total calculated costs exceed the amount of funding available in any fiscal

1 year;

2 (i) State support for school resource officers. For purposes of this subsection, a school
3 resource officer (SRO) shall be defined as a career law enforcement officer with sworn authority
4 who is deployed by an employing police department or agency in a community-oriented policing
5 assignment to work in collaboration with one or more schools. School resource officers should
6 have completed at least forty (40) hours of specialized training in school policing, administered
7 by an accredited agency, before being assigned. Beginning in FY 2019, for a period of three (3)
8 years, school districts or municipalities that choose to employ school resource officers shall
9 receive direct state support for costs associated with employing such officers at public middle and
10 high schools. Districts or municipalities shall be reimbursed an amount equal to one-half (1/2) of
11 the cost of salaries and benefits for the qualifying positions. Funding will be provided for school
12 resource officer positions established on or after July 1, 2018, provided that:

13 (1) Each school resource officer shall be assigned to one school:

14 (i) Schools with enrollments below one thousand twelve hundred (1,200) students shall
15 require one school resource officer;

16 (ii) Schools with enrollments of one thousand twelve hundred (1,200) or more students
17 shall require two school resource officers;

18 (2) School resource officers hired in excess of the requirement noted above shall not be
19 eligible for reimbursement; and

20 (3) Schools that eliminate existing school resource officer positions and create new
21 positions under this provision shall not be eligible for reimbursement; and

22 (j) Categorical programs defined in (a) through (g) shall be funded pursuant to the
23 transition plan in § 16-7.2-7.

24 SECTION 2. Sections 16-87-2 and 16-87-4 of the General Laws in Chapter 16-87
25 entitled "Rhode Island Prekindergarten Education Act" are hereby amended to read as follows:

26 **16-87-2. Findings.**

27 (a) The general assembly hereby finds that attending high quality early childhood
28 education programs help children develop important social and cognitive skills and knowledge
29 that prepares children to succeed in school. Research has shown long-lasting benefits for children
30 who participate in very high quality, educationally focused early childhood programs. The
31 benefits to children can also generate substantial government cost savings, including reduced
32 need for special education services, reduced need for cash assistance and other public benefits,
33 and reduced rates of incarceration.

34 (b) The general assembly finds that there are substantial numbers of children in Rhode

1 Island entering kindergarten who are not adequately prepared to succeed in school. Early school
2 failure may ultimately contribute to such children dropping out of school at an early age, failing
3 to achieve their full potential, becoming dependent upon public assistance, or becoming involved
4 in criminal activities.

5 (c) Furthermore, the general assembly finds that there is an existing infrastructure of early
6 childhood programs in Rhode Island serving preschool age children in full-day and half-day
7 programs that is supported through state and federal investments in child care, Head Start and
8 special education. It is the goal of the general assembly to support a system of publicly-funded,
9 high quality prekindergarten education programs that are operated through a diverse delivery
10 network, including child care, Head Start and public school districts.

11 (d) By enacting this law, the general assembly acknowledges the need to adequately
12 prepare all children to succeed in school by providing access to publicly-funded high quality
13 prekindergarten education programs.

14 (e) Since 2008, Rhode Island's state prekindergarten program has expanded to offer more
15 than one thousand high-quality prekindergarten seats to four-year-olds across eleven
16 communities. Rhode Island's mixed delivery prekindergarten model has been nationally
17 recognized as one of the highest quality state prekindergarten programs in the United States.

18 **16-87-4. Early childhood workforce development.**

19 The Rhode Island department of elementary and secondary education and the department
20 of human services shall work with other state departments and private philanthropy to establish a
21 statewide, comprehensive, research-based early childhood workforce development scholarship
22 program to expand the numbers of early childhood educators who have an associate's or
23 bachelor's degree in early childhood education and who work with children from birth to age five
24 (5).

25 SECTION 3. Chapter 16-87 of the General Laws entitled "Rhode Island Prekindergarten
26 Education Act" is hereby amended by adding thereto the following section:

27 **16-87-6. High Quality, Universal Prekindergarten.**

28 (a) The general assembly acknowledges the need to adequately prepare all children to
29 succeed in school by providing access to publicly funded, high quality prekindergarten education
30 programs for all four-year-olds.

31 (b) Access to Rhode Island's mixed delivery system of high-quality prekindergarten
32 classrooms in child care centers, public school districts, and Head Start centers shall be expanded
33 across all communities in Rhode Island.

34 (c) Expansion shall continue until every family who wants a high quality, prekindergarten

seat for their four-year-old has one. Universal access will be considered achieved when seventy percent of four-year-olds are enrolled in high-quality prekindergarten programs.

16-87-7. Prekindergarten Facilities.

The Rhode Island department of elementary and secondary education and the department of human services shall work with other state departments and private philanthropy to research and establish programs to improve, expand, and renovate facilities to ensure providers meet licensing and facilities standards to expand access to high-quality prekindergarten learning environments.

16-87-8. High quality elements.

(a) To expand access to high-quality prekindergarten education programs, it is essential to invest in expanding high-quality early learning in order to meaningfully increase children's school readiness.

(b) The Rhode Island department of elementary and secondary education is hereby authorized to promulgate and adopt regulations for the implementation of high quality, universal prekindergarten. The following quality standards shall be established in regulation by the Rhode Island department of elementary and secondary education:

(i) Teacher education and certification;

(ii) Class size and staff ratios;

(iii) Learning time;

(iv) Learning standards;

(v) Curriculum;

(vi) Support for students with special needs;

(vii) Support for dual English language learners;

(viii) Professional development;

(ix) Child assessments; and

(x) Observations to improve practice

16-87-9. Successful transitions.

(a) Successful coordination between Rhode Island's high-quality prekindergarten and kindergarten programs is essential for setting a solid foundation for all students. In order to have a seamless pathway from prekindergarten to third grade, standards, curriculum, instruction and assessments shall be aligned.

(b) Effective transition programs and practices to help students and families move successfully from one setting to another shall be established.

(c) All Local Education Agencies (LEAs) in Rhode Island shall develop a transition plan

to kindergartens for all incoming students and families. These plans must contain two parts -- student and family transition strategies, and program-level transition planning strategies:

(1) For student and family transition the following strategies shall be considered:

(i) Student visits to their future kindergarten classroom;

(ii) Kindergarten teacher visits to the prekindergarten classrooms;

(iii) Workshops for families of incoming kindergarten children; and

(iv) Kindergarten orientation sessions the summer before school starts.

(2) For program-level transition planning the following strategies shall be considered:

(i) Creation of transition teams and liaisons between prekindergarten programs and district schools;

(ii) Joint professional development and data sharing for prekindergarten to third grade teachers; and

(iii) Teacher-to-teacher conferences.

16-87-10. Early childhood education governance and data system.

(a) The Rhode Island department of elementary and secondary education and the department of human services shall work with other state departments that comprise the Children's Cabinet including, but not limited to, Rhode Island's department of health, department of children, youth and families, and the executive office of health and human services to facilitate the coordination of federal, state, and local policies concerning early learning and care, as well as seeking, applying for and encouraging the use of any federal funds for early learning and care. These departments shall work together to identify ways to streamline decision-making, eliminate inefficiencies, and ensure that all state systems are coordinated and aligned to the same goals.

(b) In order to support a successful early learning system, including the expansion of high-quality prekindergarten programs, the Early Childhood and Education Data System (ECEDS) shall receive continued investment, development and support. ECEDS is an integrated data system to facilitate the sharing of information and data-driven decision-making. ECEDS has become the centralized source for much our early learning data across multiple state agencies. It also has the capability to share essential child level data with state agencies and early childhood programs and key information about early learning providers and programs with families.

SECTION 4. Sections 16-87-3 and 16-87-5 of the General Laws in Chapter 16-87 entitled "Rhode Island Prekindergarten Education Act" are hereby repealed.

16-87-3. Planning phase for a prekindergarten program.

~~(a) The Rhode Island department of elementary and secondary education shall begin planning an initial, pilot prekindergarten program that meets high quality standards, builds on the~~

1 ~~existing early childhood education infrastructure in the state (including child care, Head Start and~~
2 ~~public schools) and serves children ages three (3) and four (4) who reside in communities with~~
3 ~~concentrations of low performing schools. This planning phase will develop specific goals to~~
4 ~~expand the pilot prekindergarten program over time and will also identify opportunities to~~
5 ~~strengthen care and learning programs for infants and toddlers.~~

6 ~~(b) During this planning phase, the Rhode Island department of elementary and~~
7 ~~secondary education will quantify the resources needed to achieve and maintain high quality~~
8 ~~standards in prekindergarten programs and identify incentives and supports to develop a qualified~~
9 ~~early education workforce, including opportunities for experienced early childhood educators and~~
10 ~~paraprofessionals to acquire college degrees and earn early childhood teacher certification.~~

11 ~~(c) The Rhode Island department of elementary and secondary education will begin to~~
12 ~~develop plans to collect and analyze data regarding the impact of the pilot prekindergarten~~
13 ~~program on participating children's school readiness and school achievement.~~

14 **16-87-5. Reporting.**

15 ~~The Rhode Island department of elementary and secondary education shall report back to~~
16 ~~the general assembly and the governor on the progress of the pilot planning phase no later than~~
17 ~~October 31, 2008.~~

18 SECTION 5. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
19 Care - State Subsidies" is hereby amended to read as follows:

20 **40-6.2-1.1. Rates established.**

21 (a) Through June 30, 2015, subject to the payment limitations in subsection (c), the
22 maximum reimbursement rates to be paid by the departments of human services and children,
23 youth and families for licensed childcare centers and licensed family-childcare providers shall be
24 based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted
25 for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

26	LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY
27		MARKET RATE
28	INFANT	\$182.00
29	PRESCHOOL	\$150.00
30	SCHOOL-AGE	\$135.00
31	LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY
32	PROVIDERS	MARKET RATE
33	INFANT	\$150.00
34	PRESCHOOL	\$150.00

1 SCHOOL-AGE \$135.00

2 Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum
3 reimbursement rates to be paid by the departments of human services and children, youth and
4 families for licensed childcare centers and licensed family-childcare providers shall be based on
5 the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
6 average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be
7 increased by ten dollars (\$10.00) per week for infant/toddler care provided by licensed family-
8 childcare providers and license-exempt providers and then the rates for all providers for all age
9 groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018,
10 licensed childcare centers shall be reimbursed a maximum weekly rate of one hundred ninety-
11 three dollars and sixty-four cents (\$193.64) for infant/toddler care and one hundred sixty-one
12 dollars and seventy-one cents (\$161.71) for preschool-age children.

13 (b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the
14 maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of
15 human services and children, youth and families for licensed childcare centers shall be
16 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
17 the state's quality rating system outlined in § 42-12-23.1.

18 (1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent
19 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
20 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
21 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018
22 weekly amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018
23 weekly amount.

24 (2) For preschool reimbursement rates, tier one shall be reimbursed ~~two and one-half~~
25 ~~(2.5%)~~ three and two-tenths percent (3.2%) above the FY 2018 weekly amount, tier two shall be
26 reimbursed five ~~percent (5%)~~ and eight-tenths percent (5.8%) above the FY 2018 weekly amount,
27 tier three shall be reimbursed ~~ten percent (10%)~~ thirteen percent (13%) above the FY 2018
28 weekly amount, tier four shall be reimbursed ~~thirteen percent (13%)~~ fifteen percent (15%) above
29 the FY 2018 weekly amount, and tier five shall be reimbursed ~~twenty-one percent (21%)~~ thirty-
30 three percent (33%) above the FY 2018 weekly amount.

31 ~~(c) The departments shall pay childcare providers based on the lesser of the applicable~~
32 ~~rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its~~
33 ~~public or private childcare customers with respect to each of the rate categories, infant, preschool~~
34 ~~and school age.~~

~~(d)~~ (c) By June 30, 2004, and biennially through June 30, 2014, the department of labor and training shall conduct an independent survey or certify an independent survey of the then current weekly market rates for childcare in Rhode Island and shall forward such weekly market rate survey to the department of human services. The next survey shall be conducted by June 30, 2016, and triennially thereafter. The departments of human services and labor and training will jointly determine the survey criteria including, but not limited to, rate categories and sub-categories.

(e) (d) In order to expand the accessibility and availability of quality childcare, the department of human services is authorized to establish by regulation alternative or incentive rates of reimbursement for quality enhancements, innovative or specialized childcare and alternative methodologies of childcare delivery, including non-traditional delivery systems and collaborations.

(f) Effective January 1, 2007, all childcare providers have the option to be paid every two (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of reimbursement payments.

SECTION 6. This article shall take effect upon passage.

ARTICLE 11

RELATING TO RHODE ISLAND PROMISE

SECTION 1. The title of Chapter 16-107 of the General Laws entitled "Rhode Island Promise Scholarship" is hereby amended to read as follows:

~~CHAPTER 16-107~~

~~RHODE ISLAND PROMISE SCHOLARSHIP~~

CHAPTER 16-107

RHODE ISLAND PROMISE

SECTION 2. Sections 16-107-1, 16-107-2, 16-107-3, 16-107-4, 16-107-5, 16-107-6, 16-107-7 and 16-107-8 of the General Laws in Chapter 16-107 entitled "Rhode Island Promise Scholarship" are hereby amended to read as follows:

16-107-1. Short title.

This chapter shall be known and may be cited as the "Rhode Island Promise" ~~Scholarship~~
~~Act."~~

16-107-2. Legislative findings and purpose.

(a) The general assembly finds and declares that:

(1) Education is critical for the state's young people to achieve their dreams and develop their talents;

(2) The state's economic success depends on a highly educated and skilled workforce, which is made all the more urgent by the impending need for the state to increase its state postsecondary attainment rate to at least seventy percent (70%) by 2025 to keep pace with projections of the percentage of state jobs that will require a postsecondary degree or certificate; and

(3) The state's future prosperity depends upon its ability to make educational opportunities beyond high school available for all students, including adults, as part of a free public education.

(b) In order to address the findings set forth in subsection (a), ~~the purpose of this chapter is to~~ Rhode Island Promise is a promise and commitment on behalf of:

(1) The state to promise to support its students' higher education ambitions by making a higher education affordable and part of a free public education for all students;

(2) The students to promise to complete a degree in a timely manner and to give back to Rhode Island after graduation; and

(3) the state's public postsecondary institutions to promise to accomplish the following:

(i) ~~increase~~ Increase the number of students enrolling in and completing degrees and certificates on time from eligible postsecondary institutions; ~~from the community college of Rhode Island.~~

(ii) Align their postsecondary degrees and certificates with emerging workforce demands;

(iii) Adopt policies and practices that support positive outcomes for all student learners;

(iv) Reduce and eliminate achievement gaps for students from groups that are underrepresented at the state's public postsecondary institutions, including, but not limited to, students from low-income families; students of underrepresented races and ethnicities; and students who are adults, current or former foster youths, with disabilities, formerly incarcerated, undocumented immigrants, and veterans; and

(v) Increase the number of graduates who live, work, or continue their education in Rhode Island after graduation.

16-107-3. Establishment of scholarship program.

Beginning with the high school graduating class of 2017, it is hereby established the Rhode Island promise scholarship program ~~that will end with the high school graduating class of 2020.~~ The general assembly shall annually appropriate the funds necessary to implement the purposes of this chapter. Additional funds beyond the scholarships may be appropriated to support and advance the Rhode Island promise scholarship program. In addition to appropriation by the general assembly, charitable donations may be accepted into the scholarship program.

1 **16-107-4. Definitions.**

2 When used in this chapter, the following terms shall have the following meanings:

3 (1) “Adult Student” means any student who is twenty-five (25) years of age or older by
4 the start of the semester in which he or she is seeking to enroll.

5 (2) “Certificate” means any certificate program with labor market value as defined by the
6 Postsecondary Commissioner.

7 (3) “College-level credit” means credit awarded by a college or university for
8 completion of its own courses or other academic work.

9 (4) “Eligible postsecondary institution” means Rhode Island College or the Community
10 College of Rhode Island;

11 ~~(+)~~ (5) “FAFSA” means the Free Application for Federal Student Aid form;

12 (6) “General Education Coursework” means the educational foundation of knowledge,
13 skills, and attitudes that prepare students for success in their majors and their personal and
14 professional lives after graduation. It includes but is not limited to the required coursework of all
15 degrees developed by each eligible postsecondary institution that is approved by the council on
16 postsecondary education that is intended to ensure that all graduates of a state institution have a
17 balanced core of competencies and knowledge. This does not necessarily include coursework
18 specifically required for one’s major.

19 ~~(+)~~ (7) “Mandatory fees and tuition” are the costs that every student is required to pay in
20 order to enroll in classes, and does not include room and board, textbooks, program fees that may
21 exist in some majors, course fees that may exist for some specific courses, meal plans, or travel;

22 ~~(+)~~ (8) “On track to graduate on time” means the standards determined by the ~~community~~
23 ~~college of Rhode Island~~ eligible postsecondary institutions in establishing the expectation of a
24 student to graduate with (i) an associate’s degree within two (2) years of enrollment ~~in case of a~~
25 student attending the Community College of Rhode Island full-time or within four (4) years in the
26 case of adult students attending part-time; or (ii) a bachelor’s degree within four (4) years of
27 enrollment in the case of a student attending Rhode Island College, or the prescribed completion
28 time for a student completing a certificate at the eligible postsecondary institution (recognizing
29 that some students, including students who require developmental education, are double majors,
30 or are enrolled in certain professional programs may require an extended time period for degree
31 completion);

32 (9) “Receiving Institution” means the eligible postsecondary institution attended by a
33 transfer student after transfer;

34 ~~(+)~~ (10) “Recipient student” means a student ~~attending the community college of Rhode~~

~~Island~~ who qualifies to receive the Rhode Island promise scholarship pursuant to § 16-107-6 or § 16-107-9;

~~(5)~~ (11) "Scholarship program" means the Rhode Island promise scholarship program that is established pursuant to § 16-107-3; and

(12) "Sending Institution" means the eligible postsecondary institution attended by a transfer student before transfer;

~~(6)~~ (13) "State" means the State of Rhode Island and Providence Plantations.

(14) "Transfer student" means any student who attends an eligible postsecondary institution and holds any college-level credit hours for courses or other academic work at a previously attended eligible postsecondary institution.

16-107-5. Administration of scholarship program.

(a) The financial aid office, in conjunction with the office of enrollment management or their respective equivalent offices, at an eligible postsecondary institution the ~~community college of Rhode Island~~, shall administer the scholarship program for state residents seeking associate degrees, bachelor's degrees, or certificates who meet the eligibility requirements in this chapter.

(b) An award of the scholarship program shall cover up to the cost of two (2) years of tuition and mandatory fees, or in the case of an adult student sixty (60) credit hours of tuition and mandatory fees over a duration of no more than four (4) years, less federal and all other financial aid monies available to the recipient student. None of any grants received by students from the Department of Children, Youth and Families' Higher Education Opportunity Incentive Grant as established by § 42-72.8 or the College Crusade Scholarship Act as established in § 16-70 shall be considered federal or financial aid for the purposes of this Chapter.

(c) The scholarship program is limited to one award per student as required by § 16-107-6(a)(7).

A student may continue to receive an award towards a degree following completion of a certificate program, provided that the student remains on track to graduate on time.

(d) If a recipient student is eligible to receive employer-sponsored tuition assistance, the eligible postsecondary institution shall enter into an agreement with the recipient student and/or the student's employer stipulating that student's home institution would provide an upfront scholarship award and the student's employer would submit corresponding tuition assistance reimbursements to the student's home institution upon the student's completion of applicable courses, consistent with the agreement and any applicable policy of the student's employer.

16-107-6. Eligibility for scholarship at the Community College of Rhode Island.

(a) Beginning with the students who enroll at the community college of Rhode Island

1 directly after high school in fall of 2017 and adult students who enroll at the community college
2 of Rhode Island in fall of 2019 ~~ending with students who enroll at the community college of~~
3 ~~Rhode Island in the fall of 2020~~, to be considered for the scholarship, a student:

4 (1) Must qualify for in-state tuition and fees pursuant to the residency policy adopted by
5 the council on postsecondary education, as amended, supplemented, restated, or otherwise
6 modified from time to time ("residency policy"); provided, that, the student must ~~have~~ either:

7 (i) have satisfied the high school graduation/equivalency diploma condition prior to
8 reaching nineteen (19) years of age; provided, further, that in addition to the option of meeting the
9 requirement by receiving a high school equivalency diploma as described in the residency policy,
10 the student can satisfy the condition by receiving other certificates or documents of equivalent
11 nature from the state or its municipalities as recognized by applicable regulations promulgated by
12 the council on elementary and secondary education; or

13 (ii) be qualified as an adult student;

14 (2) ~~Must~~ Other than an adult student, must be admitted to, and must enroll and attend the
15 community college of Rhode Island on a full-time basis by the semester immediately following
16 high school graduation or the semester immediately following receipt of a high school
17 equivalency diploma;

18 (3) Must complete the FAFSA and any required FAFSA verification by the deadline
19 prescribed by the community college of Rhode Island for each year in which the student seeks to
20 receive funding under the scholarship program;

21 (4) Must ~~either:~~

22 (i) continue to be enrolled on a full-time basis; or

23 (ii) if qualified as an adult student, continue to be enrolled in courses corresponding to at
24 least eighteen (18) credit hours or more on an annual basis.

25 (5) Must maintain an average annual cumulative grade point average (GPA) of 2.5 or
26 greater, as determined by the community college of Rhode Island;

27 (6) Must remain on track to graduate on time as determined by the community college of
28 Rhode Island;

29 (7) Must not have already received an award under this scholarship program; and

30 (8) Must commit to live, work, or continue their education in Rhode Island after
31 graduation.

32 The community college of Rhode Island shall develop a policy that will secure this
33 commitment from recipient students.

34 (b) Notwithstanding the eligibility requirements under subsection (a) of this section

1 ("specified conditions"):

2 (i) In the case of a recipient student who has an approved medical or personal leave of
3 absence or is unable to satisfy one or more specified conditions because of the student's medical
4 or personal circumstances, the student may continue to receive an award under the scholarship
5 program upon resuming the student's education so long as the student continues to meet all other
6 applicable eligibility requirements; and

7 (ii) In the case of a recipient student who is a member of the national guard or a member
8 of a reserve unit of a branch of the United States military and is unable to satisfy one or more
9 specified conditions because the student is or will be in basic or special military training, or is or
10 will be participating in a deployment of the student's guard or reserve unit, the student may
11 continue to receive an award under the scholarship program upon completion of the student's
12 basic or special military training or deployment.

13 **16-107-7. Reporting and disbursement.**

14 (a) On or before November 10 and May 10 of each fiscal year following fiscal year 2017,
15 the ~~community college of Rhode Island~~ eligible postsecondary institutions shall each shall submit
16 a report to the director of the office of management and budget, the state budget officer, the house
17 fiscal advisor, the senate fiscal advisor, the commissioner of postsecondary education, and the
18 chair of the council on postsecondary education detailing the number of students eligible to
19 participate in the scholarship program, the amount of federal and institutional financial aid
20 anticipated to be received by recipient students, the aggregate tuition and mandatory fee costs
21 attributable to recipient students, and the resulting total cost of the scholarship program to the
22 state. The report shall contain such data for both the current fiscal year and the most up-to-date
23 forecast for the following fiscal year. Data reported shall be subdivided by student-year cohort
24 and shall be accompanied by a written explanation detailing the estimating methodology utilized
25 and any impact(s) the forecasted data may present to institutional capacity, operational costs, and
26 the tuition/fee revenue base of the institution.

27 (b) On or before July 1, 2020, and annually thereafter, all eligible postsecondary
28 institutions ~~the community college of Rhode Island~~ and the commissioner of postsecondary
29 education shall submit a report evaluating the program ~~based on the first two cohorts~~ to the
30 governor, speaker of the house, and the president of the senate. This evaluation shall include the
31 following:

32 (1) The number of students who started in each cohort;

33 (2) The number of students in each cohort who have attained a degree or certification in
34 an on-time manner;

1 (3) The number of students in each cohort who have not attained a degree or certification
2 in an on-time manner and an analysis of why that has happened;

3 (4) The number of students in each cohort who began the program but have been unable
4 to continue or complete the program and an analysis of why that has happened;

5 (5) The costs of the program and the costs of continuing the program;

6 (6) Suggestions for ways to increase the success of the program;

7 (7) Recommendations as to modifying, continuing, expanding, curtailing, or
8 discontinuing the program; ~~and~~

9 (8) Any such other recommendations or information as the ~~community college of Rhode~~
10 ~~Island~~ eligible postsecondary institutions and the commissioner of postsecondary education deem
11 appropriate to include in the evaluation; ~~and~~;

12 (9) An update on the implementation of requirements pursuant to § 16-107-10.

13 (c) The office of management and budget, in consultation with the office of the
14 postsecondary commissioner, shall oversee the apportionment and disbursement of all funds
15 appropriated for the purpose of the scholarship program.

16 **16-107-8. Rules and procedures.**

17 The council on postsecondary education is hereby authorized to promulgate rules to
18 effectuate the purposes of this chapter and the ~~community college of Rhode Island~~ eligible
19 postsecondary institutions shall each establish appeal procedures for the award, denial, or
20 revocation of funding under the scholarship program. The rules shall be promulgated in
21 accordance with § 16-59-4.

22 SECTION 3. Chapter 16-107 of the General Laws entitled "Rhode Island Promise
23 Scholarship" is hereby amended by adding thereto the following section:

24 **16-107-9. Eligibility for scholarship at Rhode Island College.**

25 (a) Beginning with the students who enrolled at Rhode Island College in the Fall of 2017
26 a student:

27 (1) Must qualify for in-state tuition and fees pursuant to the residency policy adopted by
28 the council on postsecondary education, as amended, supplemented, restated, or otherwise
29 modified from time to time ("residency policy");

30 (2) Must be a currently enrolled full-time student who has declared a major and earned a
31 minimum of 60 credit hours towards an eligible program of study, as determined by Rhode Island
32 College;

33 (3) Must complete the FAFSA and any required FAFSA verification by the deadline
34 prescribed by Rhode Island College for each year in which the student seeks to receive funding

under the scholarship program;

(4) Must enroll full-time as a freshman as a first-time student and continue to be enrolled on a full-time basis;

(5) Must maintain an average annual cumulative grade point average (GPA) of 2.5 or greater, as determined by Rhode Island College;

(6) Must remain on track to graduate on time as determined by Rhode Island College;

(7) Must not have already received an award under this scholarship program; and

(8) Must commit to live, work, or continue their education in Rhode Island after graduation.

Rhode Island College shall develop a policy that will secure this commitment from recipient students.

(b) Notwithstanding the eligibility requirements under subsection (a) of this section ("specified conditions"):

(i) In the case of a recipient student who has an approved medical or personal leave of absence or is unable to satisfy one or more specified conditions because of the student's medical or personal circumstances, the student may continue to receive an award under the scholarship program upon resuming the student's education so long as the student continues to meet all other applicable eligibility requirements; and

(ii) In the case of a recipient student who is a member of the national guard or a member of a reserve unit of a branch of the United States military and is unable to satisfy one or more specified conditions because the student is or will be in basic or special military training, or is or will be participating in a deployment of the student's guard or reserve unit, the student may continue to receive an award under the scholarship program upon completion of the student's basic or special military training or deployment.

16-107-10. Requirements of the Eligible Postsecondary Institutions of Higher Education and the Council on Postsecondary Education.

The requirements of the eligible postsecondary institutions and council on postsecondary education shall advance the goals outlined in Section § 16-107-2 and shall include all of the following:

(a) The council on postsecondary education shall adopt a policy by January 1, 2020 that reduces an eligible postsecondary institution's performance incentive funding pursuant to § 16-106 for every student who begins their course of study or transfers into an eligible postsecondary institution and who completes more than 135 credit hours to achieve a bachelor's degree or more than 75 credit hours to complete an associate degree. Exceptions may be made in the policy for

1 programs that require more than 135 credit hours to achieve a bachelor's degree or more than 75
2 credit hours to complete an associate degree. The institution's performance incentive funding
3 must be reduced by an amount determined by the council per credit hour beyond the thresholds
4 established in the immediately preceding sentence on an annual basis based on the immediately
5 prior year's student data.

6 (b) Each eligible postsecondary institution shall offer credit courses during summer and
7 winter intersessions by January 1, 2020. Summer and winter intersessions shall have the
8 following characteristics:

9 (1) Enrollment shall be open to all current students of the eligible postsecondary
10 institution.

11 (2) Coursework shall be available in at least the most in-demand courses of study so as to
12 allow students to matriculate more easily through their eligible postsecondary institution as
13 determined by the institution.

14 (c) The council on postsecondary education shall revise its Transfer and Articulation
15 policies by July 1, 2021 to include the following requirements:

16 (1) All eligible postsecondary institutions shall accept all college-level credit hours
17 earned with a passing grade taken at any eligible postsecondary institution by any student to be
18 applied in the same way by each eligible postsecondary institution as they would be if they were
19 taken at that institution. All eligible postsecondary institutions shall uniformly determine which
20 courses are college-level on the basis of whether the courses are not remedial or developmental,
21 whether the courses carry one or more credit hours, and whether the credit hours are eligible to be
22 counted toward graduation at the sending institution. If any non-remedial course is not
23 determined to be college-level, that institution must improve the course to meet the agreed-upon
24 standard and ensure transferability.

25 (2) Transfer students shall not be required to take additional assessments or evaluations if
26 this is not required for home institution students. If assessments or evaluations are required for
27 specific programs, then they shall be used at every eligible postsecondary institution in applicable
28 courses.

29 (3) The direction of student transfer from any eligible postsecondary institution to another
30 eligible postsecondary institution, from a two-year to a four-year college or university, four-year
31 to a two-year, or four-year to four-year, shall not affect the transferability of credit hours.

32 (4) The numerical value of credit hours shall be maintained in a transfer from any eligible
33 postsecondary institution to another eligible postsecondary institution. The receiving institution
34 shall grant the same total number of credits as originally assigned by the sending institution. In

1 some cases there may be a difference in the number of credits assigned to the course by each
2 institution. In those cases, the course will receive the number of credits assigned by the sending
3 institution with any remaining number of credits assigned as elective credits.

4 (5) Whenever possible, college-level credit earned in a transferable course will be granted
5 without regard to the date when the course was completed. Exceptions may be granted under a
6 process detailed in the council's policy.

7 (6) All eligible postsecondary institutions shall establish a common curriculum of general
8 education coursework that contains a minimum of [30-32] college-level credits. Students at
9 eligible postsecondary institutions who complete the common curriculum of general education
10 coursework shall be able to transfer each college-level credit contained within the curriculum
11 from an eligible postsecondary institution to another eligible postsecondary institution and have
12 each college-level credit from the common curriculum be counted towards the student's degree
13 requirements at any eligible postsecondary institution. Students completing the common
14 curriculum of general education coursework shall not be required to take any additional lower-
15 division general education courses upon transfer. The council on postsecondary education is
16 hereby directed to adopt at least one common curriculum of general education coursework
17 described in this section that is available for use by students by the beginning of the 2020-2021
18 academic year. Any lower division courses available at the Community College of Rhode Island
19 must articulate to Rhode Island College and the University of Rhode Island as meeting general
20 education, major prerequisite, or major requirements. Courses developed to meet major
21 requirements for career and technical programs may be exempt from this requirement if an
22 articulated bachelor's degree is not available.

23 (7) All undergraduate courses at each eligible postsecondary institution shall utilize the
24 same course numbering system with equivalent courses offered throughout the institutions. To be
25 assigned a new and unique course number, the proposed course content must be unique and not
26 found in a current or pending course. The council on postsecondary education shall adopt this
27 common course numbering system for use by all eligible postsecondary institutions by July 1,
28 2021, with the system being implemented by the beginning of the 2021/2022 school year.

29 (8) Each eligible postsecondary institution shall collaborate to develop a unified
30 statewide transfer agreement, aligned with the common curriculum of general education
31 coursework established under paragraph (c)(7) of this section for each course of study. The
32 council on postsecondary education shall be responsible for adopting the agreements. The council
33 shall adopt a unified statewide transfer agreement for at least three major courses of study per
34 year until all courses of study have a unified statewide transfer agreement. The first three unified

1 statewide transfer agreements must be adopted by the council by January 1, 2020. Each unified
2 statewide transfer agreement developed under this section must:

3 (i) Enable a student to transfer from each eligible postsecondary institution to any other
4 eligible postsecondary institution without the loss of college-level credit or the requirement to
5 retake a course at a public institution that the student has successfully completed at any other
6 eligible postsecondary institution, provided that the grade in each course that is transferred meets
7 the degree requirements established by the unified statewide transfer agreement;

8 (ii) Contain provisions that identify the optimal number of college-level credit hours,
9 including credit hours in the major course of study, that the student should have when the student
10 transfers from any eligible postsecondary institution to another eligible postsecondary institution
11 in order for the student to efficiently receive a bachelor's degree; and

12 (iii) Define the classes and completion standards for the optimal number of college-level
13 credit hours identified in paragraph (ii) of this subsection that may be taken at each eligible
14 postsecondary institution;

15 (iv) Ensure that if a student at any eligible postsecondary institution has completed 60
16 college-level credit hours of coursework in conformity with the completion standards identified in
17 paragraph (iii) of this subsection and transfers to any eligible postsecondary institution, the
18 student will receive junior status in the major course of study at the eligible postsecondary
19 institution and be able to receive a bachelor's degree in the major course of study by completing
20 the additional college-level credits identified in the unified statewide transfer agreement after the
21 transfer, based on the total number of college-level credit hours and standards approved by the
22 accrediting body for the eligible postsecondary institution; and

23 (v) For unified statewide transfer agreements that specify an optimal number of college-
24 level credit hours for transfer students other than 60, ensure that if a student at any eligible
25 postsecondary institution has completed the specified number of college-level credit hours of
26 coursework in conformity with the completion standards identified in this subsection and
27 transfers to another eligible postsecondary institution, the student will receive status at the eligible
28 postsecondary institution based on the number of academic credit hours referenced in the
29 applicable transfer agreement that is comparable to the status of students with the same number of
30 college-level credit hours in the major course of study who began their postsecondary studies at
31 the receiving institution, and be able to receive a bachelor's degree in the major course of study
32 by completing the additional college-level credit hours specified in the unified statewide transfer
33 agreement after the transfer based on the total number of college-level credits and standards
34 approved by the accrediting body for the eligible postsecondary institution.

1 (d) Each eligible postsecondary institution shall submit policies and procedures for
2 students to earn college-level credit hours for prior learning to the council on postsecondary
3 education by July 1, 2021. At a minimum, these procedures shall include:

4 (1) A listing of the types of documentation acceptable to the institution and the dates of
5 inclusion for which prior learning is acceptable;

6 (2) Guidelines for student requests for awards of college-level credit hours for prior
7 learning. Institutions must establish a written record of their decisions and the basis for that
8 decision in accepting or declining a Prior Learning Assessment (“PLA”) for academic credit
9 hours. Institutional policies should ensure the transparency of the award or denial of PLA credit
10 hours;

11 (3) A process for appealing PLA decisions; and

12 (4) A process for assessing every enrolling student for college-level credit hours for prior
13 learning;

14 Credit hours earned through PLA will be transferable in accordance with this chapter.

15 (e) Each eligible postsecondary institution shall complete an Academic Program
16 Prioritization Process approved by the council on postsecondary education by September 1, 2021.
17 This process shall include the following and shall not take more than one year to complete after
18 the process is approved by the Council:

19 (1) An analysis of the postsecondary and workforce needs of the state;

20 (2) Identification of a plan for program expansion, consolidation, and closure based on
21 that analysis;

22 (3) Participation of, but not limited to, faculty, the business community, and the
23 community at large.

24 (f) The council on postsecondary education shall approve a policy by January 1, 2020
25 that sets standards for making course offerings at the eligible postsecondary institutions
26 predictable, structured, and more flexible to meet student scheduling needs. The policy shall
27 facilitate opportunities for students to take required courses in a timely manner. The policy shall
28 also encourage the institutions to enable students to begin courses outside of the traditional
29 academic schedules in order to improve time to completion. The policy shall further make
30 courses accessible to working students and consistently available outside of regular work hours.

31 (g) Each eligible postsecondary institution shall establish and submit to the council on
32 postsecondary education for approval a work plan to implement with an effective date no later
33 than September 1, 2020 a clearly structured, coherent and guided pathway program available to
34 all entering students for purposes of improving students’ outcomes and reducing time to attain

degrees. Work plans submitted by all eligible postsecondary institutions shall do the following:

(1) Simplify students' choices with default program maps developed by faculty and advisors for all academic and vocational programs that show students a clear pathway to completion within two (2) academic years for an associate degree program and four (4) years for a bachelor's degree program;

(2) Ensure student advising and support services are available to help students transitioning from high school, exploring academic fields, choosing a major, and developing a comprehensive academic plan so as to remain on track to graduate on time;

(3) Redesign traditional remediation to become an "on-ramp" to a program of study, which helps students explore academic and career options from the beginning of their college experience, to align math and other foundational coursework with a student's program of study, and to integrate and contextualize instructions to build academic and nonacademic foundation skills throughout the college-level curriculum, particularly in program "gateway" courses;

(4) Implement procedures and systems, supported by appropriate technology, to monitor students' progress toward completing their academic plans, to identify students who are at risk of not progressing in a program, and to intervene promptly with advising and other academic supports to help students resume their progress or revise their plans; and

(5) Embed academic and nonacademic supports throughout student programs to promote student learning and persistence.

(h) Each eligible postsecondary institution shall utilize evidence-based assessment and placement practices that incorporate multiple student performance measures to improve outcomes for underprepared students, which measures shall include, but not be limited to, overall grade point averages and grades in high school courses.

(i) The Office of the Postsecondary Commissioner shall maintain and publish data on the state's postsecondary system. The eligible postsecondary institutions shall, on a quarterly basis, transmit the following data elements, disaggregated by institution, race/ethnicity, program/major enrollment, enrollment status, and income level, including Pell status, to the Office:

(1) Average net cost of attendance;

(2) Retention by term or year;

(3) Short- and long-term wage effects;

(4) Cumulative college-level credit hours attempted and earned;

(5) Remedial and gateway course enrollment and completion;

(6) Transfer credit(s) earned by students transferring into the institution;

(7) Graduation rates;

(8) Time and Credits to earning a credential; and

(9) Any other data as determined necessary for regular review and analysis by the council on postsecondary education to accomplish the goals articulated in § 16-107-2. This data should be regularly available on the Postsecondary Commissioner's website for public use.

16-107-11. Eligibility for child care assistance.

(a) Recipient students may qualify for child care assistance administered by the department of human services for appropriate child care pursuant to §40-5.2-20 (b).

(b) The department of human services shall promulgate rules, regulations and procedures to facilitate access to child care assistance for recipient students who are eligible pursuant to §40-5.2-20(b).

SECTION 4. Section 16-56-6 of the General Laws in Chapter 16-56 entitled "Postsecondary Student Financial Assistance" is hereby amended to read as follows:

16-56-6. Need-based grants.

(a) Amount of funds allocated. The commissioner of postsecondary education shall allocate annually the appropriation for need-based scholarships and grants. ~~Of the total amount appropriated for need-based scholarship and grants, the lesser of twenty percent (20%) or two million dollars (\$2,000,000) shall be distributed to qualified students attending participating, independent, non-profit, higher education institutions in Rhode Island. The remainder of funds shall be limited to public higher education institutions in Rhode Island. As part of the annual budget submission, the office of postsecondary commissioner shall include a plan of how the need-based scholarship and grant funds will be allocated to each public institution receiving funds pursuant to this chapter and how the funds will be distributed to students attending independent, non-profit institutions.~~

(b) Eligibility of individuals. Eligibility for need-based grants and scholarships shall be determined by the office of the postsecondary commissioner.

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

SECTION 5. This article shall take effect upon passage.

ARTICLE 12

RELATING TO ECONOMIC DEVELOPMENT

SECTION 1. Section 42-64.10-6 of the General Laws in Chapter 42-64.10 entitled "Quonset Development Corporation" is hereby amended to read as follows:

42-64.10-6. Additional general powers and duties.

In addition to the powers enumerated in § 42-64.10-5, except to the extent inconsistent

1 with any specific provision of this chapter, the corporation shall have and may exercise additional
2 general powers:

3 (a) As set forth in § 42-64-7 necessary or convenient to effect its purposes; provided,
4 however, that the corporation shall not have the power to issue bonds or notes or exercise eminent
5 domain;

6 (b) As a subsidiary of the Rhode Island commerce corporation as provided for in § 42-64-
7 7.1;

8 (c) As the Rhode Island commerce corporation's true and lawful attorney as agent and
9 attorney-in-fact and in the name, place and stead of the Rhode Island commerce corporation with
10 respect to all property of the Rhode Island commerce corporation at Quonset Business Park
11 (hereinafter referred to as "the Property") and for the purposes hereinafter set forth:

12 (1) To ask, demand, recover, collect, receive, hold, and possess all sums of money, debts,
13 dues, goods, wares, merchandise, chattels, effects, bonds, notes, checks, drafts, accounts,
14 deposits, safe deposit boxes, interests, dividends, stock certificates, certificates of deposit,
15 insurance benefits and proceeds, documents of title, personal and real property, tangible and
16 intangible property, and property rights, liquidated or unliquidated, that now are, or hereafter,
17 shall be, or become, due, owing, or payable in respect to the property, and upon receipt thereof, or
18 of any part thereof, to make, sign, execute, and deliver such receipts, releases, or other discharges
19 for the same as the corporation shall deem proper.

20 (2) To lease, purchase, exchange and acquire, and to bargain, contract, and agree for the
21 lease, purchase, exchange, and acquisition of, and to take, receive, possess, and manage any real
22 or personal property related in any way to the property, tangible and intangible, or any interest
23 therein.

24 (3) To enter into and upon all and each of the real properties constituting a part of, or
25 related in any way, to the property, and to let, manage, and improve the real property or any part
26 thereof, and to repair or otherwise improve or alter, and to insure any buildings or structures
27 thereon.

28 (4) To market and sell, either at public or private sale, or exchange any part or parts of the
29 real or personal properties, including indebtedness or evidence thereof, constituting a part of or
30 related in any way to the property, including sales on credit, and for that purpose to execute and
31 receive all promissory notes, bonds, mortgages, deeds of trust, security agreements, and other
32 instruments that may be necessary or proper, and to bargain, contract, and agree with respect to
33 the sale or exchange of such properties; and to execute and deliver good and sufficient deeds,
34 bills of sale, assignments, or other instruments or endorsements for the conveyance or transfer of

1 the same; and to give receipts for all or any part of the purchase price or other consideration.

2 (5) To sign, endorse, execute, acknowledge, deliver, receive, and possess such
3 applications, contracts, agreements, options, covenants, deeds, conveyances, trust deeds,
4 mortgagees deeds, security agreements, bills of sale, leases, mortgages, assignments, insurance
5 policies, bills of lading, warehouse receipts, documents of title, bills, bonds, debentures, checks,
6 drafts, bills of exchange, notes, stock certificates, proxies, warrants, commercial paper, receipts,
7 withdrawal receipts, and deposit instruments relating to accounts or deposits in, or certificates of
8 deposit of, banks, savings and loan or other institutions or associations, proofs of loss, evidences
9 of debts, releases, and satisfactions of mortgages, judgments, liens, security agreements, and other
10 debts and obligations, and other instruments in writing of whatever kind and nature as be
11 necessary or proper in the exercise of the rights and powers herein granted.

12 (6) To enter into subordination agreements, inter-creditor agreements, reinstatement
13 agreements, "stand still" and "stand-by" agreements, modification agreements, forbearance
14 agreements, and other contracts having the effect of subordinating, modifying, renewing,
15 restructuring or otherwise altering the rights, obligations, or liabilities of the commerce
16 corporation, under or with respect to any indebtedness, property, or other assets constituting or
17 securing any property.

18 (7) To make demands, give notices of default, notices of intention to accelerate, notices
19 of acceleration, or such other notices as the corporation deems necessary or appropriate, and to
20 take other actions and exercise other rights that may be taken under the terms of any loan
21 agreements, security agreements, guaranties, or other documents or agreements evidencing, or
22 otherwise relating to, the property, including foreclosure, lease, sale, taking possession of,
23 realization upon, or any other disposition of any property or any collateral therefor or guarantee
24 thereof.

25 (8) To exercise any powers and any duties vested in the commerce corporation as a
26 partner, joint venturer, participant, or other joint-interest holder with respect to any property, or to
27 concur (or not) with persons jointly interested with the commerce corporation in any property.

28 (9) With respect to the property: (i) To sue on, or otherwise prosecute, any claim or cause
29 of action, or commence or seek any legal, equitable, or administrative or other remedy in any
30 legal, administrative, arbitration, mediation, or other proceeding whatsoever (including, non-
31 judicial repossessions and foreclosures or similar actions to recover collateral); (ii) To defend, or
32 otherwise participate for, or in the name of, the commerce corporation in any legal,
33 administrative, arbitration, mediation, or other proceedings; (iii) To process, determine, or
34 adjudge any claim or cause of action for, or in the name of, the commerce corporation; (iv) To

1 compromise, settle, discharge or resolve, or make, execute, or deliver any endorsements,
2 acquittances, releases, receipts, or other discharges of any claim, cause of action, determination,
3 judgment, or other proceeding for, or in the name of, the commerce corporation; and (v) To
4 prepare, execute, and file ad valorem, franchise and other tax returns, protests and suits against
5 taxing authorities, and to prepare, execute, and file other governmental or quasi-governmental
6 reports, declarations, applications, requests and documents in connection with any property, and
7 to pay taxes in connection with the property as the corporation deems necessary or appropriate, or
8 as otherwise required by law.

9 (10) Any third party shall be entitled to rely on a writing signed by the corporation to
10 conclusively establish the identity of a particular Property as property for all purposes hereof.

11 (d) To own, hold, improve, operate, manage, and regulate utilities at the Quonset
12 Business Park and to establish rates, fees, and charges, to adopt regulations, and to impose
13 penalties for any services or utilities it provides, or causes to have available, and to have functions
14 and exercise powers as necessary and appropriate under the provisions of §§ 42-64-4, 42-64-7.4,
15 42-64-7.8, 42-64-7.9 and 42-64-9.1 -- 42-64-9.10, inclusive.

16 (e) To enter into agreements with any city, town, district, or public corporation with
17 regard to application and/or administration of zoning or other land use ordinances, codes, plans,
18 or regulations, and cities, towns, districts, and public corporations are hereby authorized and
19 empowered, notwithstanding any other law to the contrary, to enter into such agreements with the
20 corporation and to do all things necessary to carry out their obligations under such agreements; in
21 the absence of any such agreement the corporation shall act in accordance with the provisions of
22 § 42-64-13.

23 (f) To enter into agreements, including with any state agency, city, town, district, or
24 public corporation, for the provision of police, security, fire, sanitation, health protection, and
25 other public services.

26 (g) To be exempt from taxation and to enter into agreements for payments in lieu of taxes
27 as provided for in § 42-64-20.

28 (h) To establish a stormwater management and conveyance system and regulate
29 connections, user fees, charges and assessments in connection therewith. In particular, the
30 corporation shall have full and complete power and authority to:

31 (1) Limit, deny, or cause appropriate direct or indirect connections to be made between
32 any building or property located in the Quonset Business Park, or from any location outside the
33 boundaries of the Quonset Business Park and discharging into the corporation's stormwater
34 management and conveyance systems. The corporation may prescribe those rules and regulations

1 for stormwater runoff, that in the opinion of the corporation, are necessary and appropriate for the
2 maintenance and operation of the stormwater management and conveyance systems, and may
3 establish, from time to time, rules and regulations relating to stormwater management in the
4 Quonset Business Park. Any person or entity having an existing connection to the stormwater
5 management and conveyance systems or currently discharging into such systems, will obtain a
6 permit from the corporation in accordance with its rules and regulations. No person or entity
7 shall, without first being granted a written permit from the corporation in accordance with its
8 rules and regulations, make any future connection or permit any runoff from any structure or
9 property to any stormwater management and conveyance systems, or any appurtenance thereto,
10 without first being granted a written permit from the corporation in accordance with its rules and
11 regulations.

12 (2) Compel any person or entity within the Quonset Business Park, for the purpose of
13 stormwater runoff, to establish a direct connection on the property of the person or entity, or at
14 the boundary thereof, to the corporation's stormwater management and conveyance systems.
15 These connections shall be made at the expense of such person or entity. The term
16 "appurtenance" as used herein shall be construed to include adequate pumping facilities,
17 whenever the pumping facilities shall be necessary to deliver the stormwater runoff to the
18 stormwater management and conveyance systems.

19 (3) Assess any person or entity having a direct or indirect connection (including, without
20 limitation, via runoff) to the Quonset Business Park stormwater management and conveyance
21 systems the reasonable charges for the use, operation, maintenance, and improvements to the
22 systems. The corporation shall also be entitled, in addition to any other remedies available, to
23 assess fines for violations of the rules and regulations established by the corporation with respect
24 to stormwater management.

25 (4) Collect the fees, charges, and assessments from any person or entity so assessed. Each
26 person or entity so assessed shall pay the fees, charges, or assessments within the time frame
27 prescribed by the rules and regulations of the corporation. The corporation may collect the fees,
28 charges, and assessments in the same manner in which taxes are collected by municipalities, with
29 no additional fees, charges, assessments, or penalties (other than those provided for in chapter 9
30 of title 44). All unpaid charges shall be a lien upon the real estate of the person or entity. The lien
31 shall be filed in the records of land evidence for the city or town in which the property is located
32 and the corporation shall simultaneously, with the filing of the lien, give notice to the property
33 owner. Owners of property subject to a lien for unpaid charges are entitled to a hearing within
34 fourteen (14) days of the recording of the lien.

1 (5) Notwithstanding the provisions of subsection (h)(4) of this section, the corporation is
2 authorized to terminate the water supply service or prohibit the use of the corporation's
3 stormwater management and conveyance systems of any person or entity for the nonpayment of
4 storm water management user fees, charges, and assessments. The corporation shall notify the
5 user of termination of water supply or use of the stormwater management and conveyance
6 systems at least forty-eight (48) hours prior to ceasing service. The corporation may assess any
7 person or entity any fees, charges, and assessments affiliated with the shut off and restoration of
8 service.

9 (6) Without in any way limiting the foregoing powers and authority, the corporation is
10 also hereby empowered to: (i) Establish a fee system and raise funds for administration and
11 operation of the stormwater management and conveyance systems; (ii) Prepare long-range,
12 stormwater management master plans; (iii) Implement a stormwater management district; (iv)
13 Retrofit existing structures to improve water quality or alleviate downstream flooding or erosion;
14 (v) Properly maintain existing stormwater management and conveyance systems; (vi) Hire
15 personnel to carry out the functions of the stormwater management and conveyance systems; (vii)
16 Receive grants, loans, or funding from state and federal water-quality programs; (viii) Grant
17 credits to property owners who maintain retention and detention basins or other filtration
18 structures on their property; (ix) Make grants for implementation of stormwater management
19 plans; (x) Purchase, acquire, sell, transfer, or lease real or personal property; (xi) Impose liens;
20 (xii) Levy fines and sanctions for noncompliance; (xiii) Provide for an appeals process; and (xiv)
21 Contract for services in order to carry out the function of the stormwater management and
22 conveyance systems.

23 (i) To purchase and obtain water supply and water service from any city, town, water
24 district, or other water supply authority. In particular, the corporation is authorized to:

25 (1) Enter into agreements or contracts with any city, town, county, water district, or other
26 water supply authority to purchase, acquire, and receive water supply and water service.

27 (2) Enter into cooperative agreements with cities, towns, counties, water districts, or other
28 water supply authorities for the interconnection of facilities or for any other lawful corporate
29 purposes necessary or desirable to effect the purposes of this chapter.

30 (3) Connect the water supply system at Quonset Business Park with any city, town,
31 county, water district, or other water supply authority that receives or has a connection with the
32 city of Providence and/or the Providence Water Supply Board (or any successor thereof) and
33 purchase, connect to, receive, and enter into agreements to receive water supply from any city,
34 town, county, water district, or other water supply authority regardless of the origin of such water

1 supply. The city of Providence and the Providence Water Supply Board (and any successor
2 thereof) are authorized and directed to supply water to the Quonset Business Park either directly
3 or via connections between the Quonset Development Corporation and any city, town, county,
4 water district, or other water supply authority, notwithstanding any terms to the contrary in any
5 agreement, including, without limitation, any agreement between any city, town, county, water
6 district, or other water supply authority and the city of Providence and/or the Providence Water
7 Supply Board (or its or their predecessors), or the provisions of chapter 16 of title 39. In addition,
8 the provisions of § 18 of chapter 1278 of the public laws of Rhode Island of 1915 as amended,
9 and any other public law that would conflict with the terms hereof, are hereby amended to
10 authorize the provision of water supply by the city of Providence and the Providence Water
11 Supply Board (or any successor thereof) to the Quonset Business Park and to authorize any
12 additional connections in accordance herewith. There shall be no requirement that the corporation
13 demonstrate public necessity before entering into such agreements, connecting to such water
14 supplies, or receiving such water as described in this subsection, but the corporation shall be
15 subject to the other applicable provisions of chapter 15 of title 46.

16 (d) The corporation shall have and may exercise all powers set forth in general laws § 42-
17 64.33-6, § 42-64.33-7 and § 42-64.33-9 in the place and stead of the state and local partnership
18 council but only to the extent the state and local partnership council has not exercised jurisdiction
19 with respect to the subject matter or project over which the corporation intends to act, and upon
20 the exercise of such powers in relation to a municipality or a project therein, notice of which shall
21 be provided to the state and local partnership council of the exercise of jurisdiction by the
22 corporation. The corporation shall have exclusive jurisdiction and authority of the subject matter
23 thereof to the exclusion of the state and local partnership council, unless otherwise agreed to in
24 writing by the corporation.

25 SECTION 2. Section 42-64.10-7 of the General Laws in Chapter 42-64.10 entitled
26 "Quonset Development Corporation" is hereby amended to read as follows:

27 **42-64.10-7. Directors, officers and employees.**

28 (a) Directors.

29 (1) Except in the exercise of the powers conferred under § 42-64.10-6(d), ~~T~~the powers of
30 the corporation shall be vested in a board of directors consisting of eleven (11) members. The
31 membership of the board shall consist of the executive director of the Rhode Island economic
32 development corporation as chairperson, (who shall vote only in the event of a tie), six (6)
33 members appointed by the governor, with the advice and consent of the senate, two (2) members
34 appointed by the town council of the town of North Kingstown, one member appointed by the

1 town council of the town of Jamestown, and one member appointed by the town council of the
2 town of East Greenwich. The initial members of the board shall be divided into three (3) classes
3 and shall serve initial terms on the board of directors as follows: two (2) of the directors
4 appointed by the governor; one of the directors appointed by the town council of the town of
5 North Kingstown shall be appointed for an initial term of one year; two (2) of the directors
6 appointed by the governor, one director appointed by the town council of the town of North
7 Kingstown and the director appointed by the town of East Greenwich shall be appointed for an
8 initial term of two (2) years; and two (2) of the directors appointed by the governor and one
9 director appointed by the town of Jamestown shall be appointed for an initial term of three (3)
10 years. Upon expiration of each initial term and upon the expiration of each term thereafter, a
11 successor shall be appointed by the same authority that made the initial appointment, and in the
12 case of appointments by the governor with the advice and consent of the senate, to serve for a
13 term of three (3) years so that members of the board of directors shall serve for staggered terms of
14 three (3) years each. A vacancy on the board, other than by expiration, shall be filled in the same
15 manner as an original appointment, but only for the unexpired portion of the term. If a vacancy
16 occurs with respect to one of the directors appointed by the governor when the senate is not in
17 session, the governor shall appoint a person to fill the vacancy, but only until the senate shall next
18 convene and give its advice and consent to a new appointment. A member shall be eligible to
19 succeed himself or herself. Appointed directors shall not serve more than two (2) successive three
20 (3) year terms but may be reappointed after not being a director for a period of at least twelve
21 (12) months. Each appointed director shall hold office for the term for which the director is
22 appointed and until the director's successor shall have been appointed and qualified, or until the
23 director's earlier death, resignation or removal. Except for members of the town council of the
24 town of North Kingstown, who may serve as members of the board of directors, no director shall
25 be an elected official of any governmental entity. In the exercise of the powers conferred under §
26 42-64.10-6(d) and only with respect to actions taken consistent with the program established
27 under chapter 64.33 of title 42, which actions may not involve land in the Quonset Business Park,
28 the powers of the corporation shall be vested in a board of directors consisting of seven (7)
29 members, including the chairperson, who shall be the secretary of commerce and vote only in the
30 event of a tie, and six members to be appointed by the governor with the advice and consent of
31 the senate, provided that the number of board members shall be increased in instances where a
32 project is situated in one or more municipalities. Such powers conferred under § 42-64.10-6(d)
33 may only be exercised in connection with carrying out the program established under chapter
34 64.33 of title 42. In the exercise of the powers conferred under § 42-64.10-6(d), the board shall

1 add, and the total number of directors shall be increased by (i) two (2) new members appointed by
2 the governing body of the municipality in which the project is located when a project is located in
3 a single municipality or (ii) new members appointed by the governing body of each municipality
4 in which the project is located when a project is located in more than one municipality, with each
5 municipality appointing one member to the board.

6 SECTION 3. Section 42-64.20-3 of the General Laws in Chapter 42-64.20 entitled
7 "Rebuild Rhode Island Tax Credit Act" is hereby amended to read as follows:

8 **42-64.20-3. Definitions.**

9 (1) "Adaptive reuse" means the conversion of an existing structure from the use for which
10 it was constructed to a new use by maintaining elements of the structure and adapting such
11 elements to a new use.

12 (2) "Affiliate" means an entity that directly or indirectly controls, is under common
13 control with, or is controlled by the business. Control exists in all cases in which the entity is a
14 member of a controlled group of corporations as defined pursuant to § 1563 of the Internal
15 Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of
16 organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the
17 Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and
18 convincing evidence, as determined by the tax administrator, that control exists in situations
19 involving lesser percentages of ownership than required by those statutes. An affiliate of a
20 business may contribute to meeting either the capital investment or full-time employee
21 requirements of a business that applies for a credit under this chapter.

22 (3) "Affordable housing" means housing for sale or rent with combined rental costs or
23 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
24 thirty percent (30%) of the gross annual income of a household earning up to eighty percent
25 (80%) of the area median income, as defined annually by the United States Department of
26 Housing and Urban Development.

27 (4) "Applicant" means a developer applying for a rebuild Rhode Island tax credit under
28 this chapter.

29 (5) "Business" means a corporation as defined in § 44-11-1(4), or a partnership, an S
30 corporation, a non-profit corporation, a sole proprietorship, or a limited liability corporation. A
31 business shall include an affiliate of the business if that business applies for a credit based upon
32 any capital investment made by an affiliate.

33 (6) "Capital investment" in a real estate project means expenses by a developer incurred
34 after application for:

1 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
2 furnishing on real property or of a building, structure, facility, or improvement to real property;

3 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment,
4 including but not limited to material goods for the operation of a business on real property or in a
5 building, structure, facility, or improvement to real property.

6 In addition to the foregoing, if a developer acquires or leases a qualified development
7 project, the capital investment made or acquired by the seller or owner, as the case may be, if
8 pertaining primarily to the premises of the qualified development project, shall be considered a
9 capital investment by the developer and, if pertaining generally to the qualified development
10 project being acquired or leased, shall be allocated to the premises of the qualified development
11 project on the basis of the gross leasable area of the premises in relation to the total gross leasable
12 area in the qualified development project. The capital investment described herein shall be
13 defined through rules and regulations promulgated by the commerce corporation.

14 (7) "Certified historic structure" means a property which is located in the state of Rhode
15 Island and is

16 (i) Listed individually on the national register of historic places; or

17 (ii) Listed individually in the state register of historic places; or

18 (iii) Located in a registered historic district and certified by either the Rhode Island
19 historical preservation and heritage commission created pursuant to § 42-45-2 or the Secretary of
20 the Interior as being of historic significance to the district.

21 (8) "Commerce corporation" means the Rhode Island commerce corporation established
22 pursuant to § 42-64-1 et seq.

23 (9) "Commercial" shall mean non-residential development.

24 (10) "Developer" means a person, firm, business, partnership, association, political
25 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
26 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves
27 land or existing structures, which division, building, or improvement qualifies for benefits under
28 this chapter.

29 (11) "Development" means the improvement of land through the carrying out of building,
30 engineering, or other operations in, on, over, or under land, or the making of any material change
31 in the use of any buildings or land for the purposes of accommodating land uses.

32 (12) "Eligibility period" means the period in which a developer may claim a tax credit
33 under this act, beginning with the tax period in which the commerce corporation accepts
34 certification from the developer that it has met the requirements of the act and extending

1 thereafter for a term of five (5) years.

2 (13) "Full-time employee" means a person who is employed by a business for
3 consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other
4 standard of service generally accepted by custom or practice as full-time employment, or who is
5 employed by a professional employer organization pursuant to an employee leasing agreement
6 between the business and the professional employer organization for a minimum of thirty-five
7 (35) hours per week, or who renders any other standard of service generally accepted by custom
8 or practice as full-time employment, and whose wages are subject to withholding.

9 (14) "Hope community" means a municipality for which the five-year (5) average
10 percentage of families with income below the federal poverty level exceeds the state five-year (5)
11 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau
12 of the Census.

13 (15) "Manufacturer" shall mean any entity that:

14 (a) Uses any premises within the state primarily for the purpose of transforming raw
15 materials into a finished product for trade through any or all of the following operations:
16 adapting, altering, finishing, making, processing, refining, metalworking, and ornamenting, but
17 shall not include fabricating processes incidental to warehousing or distribution of raw materials,
18 such as alteration of stock for the convenience of a customer; or

19 (b) Is described in codes 31-33 of the North American Industry Classification System, as
20 revised from time to time.

21 (16) "Mixed use" means a development comprising both commercial and residential
22 components.

23 (17) "Partnership" means an entity classified as a partnership for federal income tax
24 purposes.

25 (18) "Placed in service" means the earlier of i) substantial construction or rehabilitation
26 work has been completed which would allow for occupancy of an entire structure or some
27 identifiable portion of a structure, as established in the application approved by the commerce
28 corporation board or ii) receipt by the developer of a certificate, permit or other authorization
29 allowing for occupancy of the project or some identifiable portion of the project by the municipal
30 authority having jurisdiction.

31 (19) "Project" means qualified development project as defined under subsection (22).

32 (20) "Project area" means land or lands under common ownership or control in which a
33 qualified development project is located.

34 (21) "Project cost" means the costs incurred in connection with the qualified

1 development project or qualified residential or mixed use project by the applicant until the
2 issuance of a permanent certificate of occupancy, or until such other time specified by the
3 commerce corporation, for a specific investment or improvement, as defined through rules and
4 regulations promulgated by the commerce corporation.

5 (224) "Project financing gap" means

6 (i) The part of the total project cost that remains to be financed after all other sources of
7 capital have been accounted for (such sources will include, but not be limited to, developer-
8 contributed capital), which shall be defined through rules and regulations promulgated by the
9 commerce corporation, or

10 (ii) The amount of funds that the state may invest in a project to gain a competitive
11 advantage over a viable and comparable location in another state by means described in this
12 chapter.

13 (232) "Qualified development project" means a specific construction project or
14 improvement, including lands, buildings, improvements, real and personal property or any
15 interest therein, including lands under water, riparian rights, space rights and air rights, acquired,
16 owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved,
17 undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting
18 the requirements of this chapter, as set forth in an application made to the commerce corporation.

19 (243) "Recognized historical structure" means a property which is located in the state of
20 Rhode Island and is commonly considered to be of historic or cultural significance as determined
21 by the commerce corporation in consultation with the state historic preservation officer.

22 (25) "Residential" means a development of residential dwelling units.

23 (265) "Targeted industry" means any advanced, promising, or otherwise prioritized
24 industry identified in the economic development vision and policy promulgated pursuant to § 42-
25 64.17-1 or, until such time as any such economic development vision and policy is promulgated,
26 as identified by the commerce corporation.

27 (276) "Transit oriented development area" means an area in proximity to transit
28 infrastructure that will be further defined by regulation of the commerce corporation in
29 consultation with the Rhode Island department of transportation.

30 (287) "Workforce housing" means housing for sale or rent with combined rental costs or
31 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
32 thirty percent (30%) of the gross annual income of a household earning between eighty percent
33 (80%) and one hundred and forty percent (140%) of the area median income, as defined annually
34 by the United States Department of Housing and Urban Development.

SECTION 4. Section 42-64.20-5 of the General Laws in Chapter 42-64.20 entitled "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

42-64.20-5. Tax credits.

(a) An applicant meeting the requirements of this chapter may be allowed a credit as set forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of the general laws for a qualified development project.

(b) To be eligible as a qualified development project entitled to tax credits, an applicant's chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the time of application, that:

(1) The applicant has committed capital investment or owner equity of not less than twenty percent (20%) of the total project cost;

(2) There is a project financing gap in which after taking into account all available private and public funding sources, the project is not likely to be accomplished by private enterprise without the tax credits described in this chapter; and

(3) The project fulfills the state's policy and planning objectives and priorities in that:

(i) The applicant will, at the discretion of the commerce corporation, obtain a tax stabilization agreement from the municipality in which the real estate project is located on such terms as the commerce corporation deems acceptable;

(ii) It (A) is a commercial development consisting of at least 25,000 square feet occupied by at least one business employing at least 25 full-time employees after construction or such additional full-time employees as the commerce corporation may determine; (B) is a multi-family residential development in a new, adaptive reuse, certified historic structure, or recognized historical structure consisting of at least 20,000 square feet and having at least 20 residential units in a hope community; or (C) is a mixed-use development in a new, adaptive reuse, certified historic structure, or recognized historical structure consisting of at least 25,000 square feet occupied by at least one business, subject to further definition through rules and regulations promulgated by the commerce corporation; and

(iii) Involves a total project cost of not less than \$5,000,000, except for a qualified development project located in a hope community or redevelopment area designated under § 45-32-4 in which event the commerce corporation shall have the discretion to modify the minimum project cost requirement.

(c) The commerce corporation shall develop separate, streamlined application processes for the issuance of Rebuild RI tax credits for each of the following:

(1) Qualified development projects that involve certified historic structures;

1 (2) Qualified development projects that involve recognized historical structures;
2 (3) Qualified development projects that involved at least one manufacturer; and
3 (4) Qualified development projects that include affordable housing or workforce housing.
4 (d) Applications made for a historic structure or recognized historic structure tax credit
5 under chapter 33.6 of title 44 shall be considered for tax credits under this chapter. The division
6 of taxation, at the expense of the commerce corporation, shall provide communications from the
7 commerce corporation to those who have applied for and are in the queue awaiting the offer of
8 tax credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the Rebuild
9 RI Tax Credit program.

10 (e) Applicants (i) who have received the notice referenced in subsection (d) above and
11 who may be eligible for a tax credit pursuant to chapter 33.6 of title 44, (ii) whose application
12 involves a certified historic structure or recognized historical structure, or (iii) whose project is
13 occupied by at least one manufacturer shall be exempt from the requirements of subparagraphs
14 (b)(3)(ii) and (b)(3)(iii) of this section. The following procedure shall apply to such applicants:

15 (1) The division of taxation shall remain responsible for determining the eligibility of an
16 applicant for tax credits awarded under chapter 33.6 of title 44;

17 (2) The commerce corporation shall retain sole authority for determining the eligibility of
18 an applicant for tax credits awarded under this chapter; and

19 (3) The commerce corporation shall not award in excess of fifteen percent (15%) of the
20 annual amount ~~appropriated~~ authorized in any fiscal year to applicants seeking tax credits
21 pursuant to this subsection (~~ee~~).

22 (~~d~~f) Maximum project credit.

23 (i) For qualified development projects, the maximum tax credit allowed under this
24 chapter shall be the lesser of (1) thirty percent (30%) of the total project cost; or (2) the amount
25 needed to close a project financing gap (after taking into account all other private and public
26 funding sources available to the project), as determined by the commerce corporation.

27 (ii) The credit allowed pursuant to this chapter shall not exceed fifteen million dollars
28 (\$15,000,000) for any qualified development project under this chapter. No building or qualified
29 development project to be completed in phases or in multiple projects shall exceed the maximum
30 project credit of fifteen million dollars (\$15,000,000) for all phases or projects involved in the
31 rehabilitation of such building. Provided, however, that for purposes of this subsection and no
32 more than once in a given fiscal year, the commerce corporation may consider the development
33 of land and buildings by a developer on the "I-195 land" (as defined in § 42-64.24-3(6) of the
34 general laws) as a separate, qualified development project from a qualified development project

1 by a tenant or owner of a commercial condominium or similar legal interest including leasehold
2 improvement, fit out, and capital investment. Such qualified development project by a tenant or
3 owner of a commercial condominium or similar legal interest on the I-195 land may be exempted
4 from subparagraph ~~(f)~~(i)(1). [Separate buildings on the I-195 land may be considered to be](#)
5 [separate qualified development projects when determining eligibility under this chapter.](#)

6 (eg) Credits available under this chapter shall not exceed twenty percent (20%) of the
7 project cost, provided, however, that the applicant shall be eligible for additional tax credits of not
8 more than ten percent (10%) of the project cost, if the qualified development project meets any of
9 the following criteria or other additional criteria determined by the commerce corporation from
10 time to time in response to evolving economic or market conditions:

11 (1) The project includes adaptive reuse or development of a recognized historical
12 structure;

13 (2) The project is undertaken by or for a targeted industry;

14 (3) The project is located in a transit-oriented development area;

15 (4) The project includes residential development of which at least twenty percent (20%)
16 of the residential units are designated as affordable housing or workforce housing;

17 (5) The project includes the adaptive reuse of property subject to the requirements of the
18 industrial property remediation and reuse act, § 23-19.14-1 et seq.; or

19 (6) The project includes commercial facilities constructed in accordance with the
20 minimum environmental and sustainability standards, as certified by the commerce corporation
21 pursuant to Leadership in Energy and Environmental Design or other equivalent standards.

22 (fh) Maximum aggregate credits. The aggregate sum authorized pursuant to this chapter
23 shall not exceed ~~one~~[two](#) hundred and fifty million dollars (~~\$150~~[250](#),000,000), [and the commerce](#)
24 [corporation shall promulgate guidelines regarding the amounts to be authorized for certified](#)
25 [historic structures, recognized historical structures, and residential projects.](#)

26 (gi) Tax credits shall not be allowed under this chapter prior to the taxable year in which
27 the project is placed in service.

28 (hj) The amount of a tax credit allowed under this chapter shall be allowable to the
29 taxpayer in up to five, annual increments; no more than thirty percent (30%) and no less than
30 fifteen percent (15%) of the total credits allowed to a taxpayer under this chapter may be
31 allowable for any taxable year.

32 (ik) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
33 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
34 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for

1 the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits
2 allowed to a partnership, a limited liability company taxed as a partnership, or multiple owners of
3 property shall be passed through to the persons designated as partners, members, or owners
4 respectively pro rata or pursuant to an executed agreement among such persons designated as
5 partners, members, or owners documenting an alternate distribution method without regard to
6 their sharing of other tax or economic attributes of such entity.

7 (f) The commerce corporation in consultation with the division of taxation shall
8 establish, by regulation, the process for the assignment, transfer, or conveyance of tax credits.

9 (k) For purposes of this chapter, any assignment or sales proceeds received by the
10 taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be
11 exempt from taxation under title 44. If a tax credit is subsequently revoked or adjusted, the
12 seller's tax calculation for the year of revocation or adjustment shall be increased by the total
13 amount of the sales proceeds, without proration, as a modification under chapter 30 of title 44. In
14 the event that the seller is not a natural person, the seller's tax calculation under chapters 11, 13,
15 14, or 17 of title 44 of the general laws, as applicable, for the year of revocation, or adjustment,
16 shall be increased by including the total amount of the sales proceeds without proration.

17 (h) The tax credit allowed under this chapter may be used as a credit against corporate
18 income taxes imposed under chapters 11, 13, 14, or 17, of title 44, or may be used as a credit
19 against personal income taxes imposed under chapter 30 of title 44 for owners of pass-through
20 entities such as a partnership, a limited liability company taxed as a partnership, or multiple
21 owners of property.

22 (m) In the case of a corporation, this credit is only allowed against the tax of a
23 corporation included in a consolidated return that qualifies for the credit and not against the tax of
24 other corporations that may join in the filing of a consolidated tax return.

25 (p) Upon request of a taxpayer and subject to annual appropriation, the state shall
26 redeem such credit, in whole or in part, for ninety percent (90%) of the value of the tax credit.
27 The division of taxation, in consultation with the commerce corporation, shall establish by
28 regulation a redemption process for tax credits.

29 (q) Projects eligible to receive a tax credit under this chapter may, at the discretion of
30 the commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
31 following classes of personal property only to the extent utilized directly and exclusively in such
32 project: (1) Furniture, fixtures and equipment, except automobiles, trucks, or other motor
33 vehicles; or (2) Such other materials, including construction materials and supplies, that are
34 depreciable and have a useful life of one year or more and are essential to the project.

1 ~~(p)~~ The commerce corporation shall promulgate rules and regulations for the
2 administration and certification of additional tax credit under subsection (e), including criteria for
3 the eligibility, evaluation, prioritization, and approval of projects that qualify for such additional
4 tax credit.

5 ~~(q)~~ The commerce corporation shall not have any obligation to make any award or grant
6 any benefits under this chapter.

7 SECTION 5. Section 42-64.20-7 of the General Laws in Chapter 42-64.20 entitled
8 "Rebuild Rhode Island Tax Credit Act" is hereby amended to read as follows:

9 **42-64.20-7. Rebuild Rhode Island tax credit fund.**

10 (a) There is hereby established at the commerce corporation a restricted account known
11 as the rebuild Rhode Island tax-credit fund (the "~~Fund~~fund") in which all amounts appropriated
12 for the program created under this chapter shall be deposited. The fund shall be used ~~(+)~~ to pay for
13 the redemption of tax credits or reimbursement to the state for tax credits applied against a
14 taxpayer's liability. The commerce corporation may pledge and reserve amounts deposited into
15 the fund for the purpose of securing payment for the redemption of tax credits or for making
16 reimbursements to municipalities pursuant to chapter 64.22 of title 42 of the general laws. The
17 fund shall be exempt from attachment, levy, or any other process at law or in equity. The director
18 of the department of revenue shall make a requisition to the commerce corporation for funding
19 during any fiscal year as may be necessary to pay for the redemption of tax credits presented for
20 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
21 commerce corporation shall pay from the fund such amounts as requested by the director of the
22 department of revenue necessary for redemption or reimbursement in relation to tax credits
23 granted under this chapter; provided, however, that the commerce corporation shall not be
24 required to pay from the fund such sums pledged and reserved by the commerce corporation, as
25 permitted in this section, except for redemption of tax credits.

26 (b) Notwithstanding anything in this chapter to the contrary, the commerce corporation
27 may make a loan or equity investment as an alternative incentive in lieu of the provision of tax
28 credits so long as the applicant otherwise qualifies for tax credits under this chapter. In addition to
29 the qualification requirements of this chapter, any loan or equity investment shall be subject to the
30 provisions of §§ 42-64.20-5(b), ~~(d), (e), (f), (g), (n), (o), (ph), (j), (q), (r), and (s), and (q)~~, 42-
31 64.20-7, 42-64.20-8, 42-64.20-9, and 42-64.20-10 as if such loan or equity investment were a tax
32 credit. The commerce corporation may pay, reserve, and/or pledge monies for a loan or equity
33 investment from the fund.

34 (c) The commerce corporation may provide appropriate technical assistance to an

applicant for tax credits for projects under this chapter, including projects involving historic structures and recognized historical structures to enable the applicant to provide all information and data necessary for the consideration of its application by the commerce corporation. The cost of technical assistance provided to applicants can be paid from the fund in an amount not to exceed \$250,000 per year.

SECTION 6. Section 42-64.20-10 of the General Laws in Chapter 42-64.20 entitled “Rebuild Rhode Island Tax Credit Act” is hereby amended to read as follows:

42-64.20-10. Sunset

No credits shall be authorized to be reserved pursuant to this chapter after ~~June 30, 2020~~December 31, 2023.

SECTION 7. Section 42-64.21-5 of the General Laws in Chapter 42-64.21 entitled "Rhode Island Tax Increment Financing" is hereby amended to read as follows:

42-64.21-5. Financing.

(a) Up to the limits established in subsection (b) of this section and in accordance with a TIF agreement, the division of taxation shall pay to the developer incremental state revenues directly realized from projects or businesses operating in the qualifying TIF area from the taxes assessed and collected under chapters 11, 13, 14, 17, 18, 19, and 30 of Title 44 of the general laws or realized from such venue ticket sales or parking taxes as may be established and levied under state law.

(b) Up to 75 percent of the projected annual incremental revenues may be allocated under a TIF agreement. The incremental revenue for the revenues listed in subsection (a) of this section shall be calculated as the difference between the amount collected in any fiscal year from any eligible revenue source included in the TIF agreement, less the revenue increment base for that eligible revenue.

(c) The division of taxation is hereby authorized and empowered to segregate the annual incremental revenues allocated under a TIF agreement and transfer such amounts to the general treasurer for deposit in a restricted account known as the TIF fund. The TIF fund shall be used solely to pay for the incentives granted under this chapter. The director of the department of revenue shall annually determine if a surplus exists in the TIF fund over amounts necessary to fund incentives under this chapter in a fiscal year and may authorize the general treasurer to transfer any surplus to the general fund. The unexpended balance of such sum of money received and appropriated for the TIF fund remaining in the treasury at the close of each fiscal year, shall be continued to and is hereby annually appropriated for the same account for the ensuing year.

(d) Under conditions defined by the commerce corporation and in consultation with the

1 department of revenue, ~~those~~ all taxes ~~eligible for inclusion in this TIF program~~ identified in § 42-
2 64.21-5(a) that would otherwise comprise 75% of the incremental revenue available for allocation
3 under § 42-64.21-5(b). may instead be exempted by the commerce corporation up to the levels
4 permitted by this act in cases of significant taxpayers or for transactions occurring within a
5 qualifying TIF area. Any incremental tax revenue exempted by the commerce corporation
6 pursuant to this act shall not be assessed and/or collected as a tax from any person or entity. Such
7 significant taxpayers, and any other person or entity entering into a contract with the commerce
8 corporation consummating a transaction giving rise to the exemptions provided pursuant to this
9 subsection, may shall instead be required to contribute payments ~~in lieu of taxes (PILOTs)~~ into a
10 dedicated fund established by the commerce corporation. Such payments shall be ~~up to 75 percent~~
11 ~~of equal to~~ the amount that would otherwise be due to the state in the form of taxation in the
12 absence of such exemption as per the provisions of this statute. Such dedicated funds must be
13 used for the purposes described in this act. The balance of said state revenue not subject to an
14 exemption under this act shall be deposited in the general fund in the ordinary course by the
15 division of taxation. The commerce corporation and any other person or entity entering into
16 transactions pursuant to this act shall provide to the division of taxation in a format it may
17 reasonably require, such information that will allow it to confirm compliance with this act, the
18 terms of the documents related to the transactions giving rise to the exemptions, and all applicable
19 state law. The commerce corporation may issue revenue bonds secured by this dedicated fund.
20 Such bonds shall not be a general obligation of the state. (e) The commerce corporation shall
21 promulgate an application form and procedure for the program.

22 SECTION 8. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled
23 “Rhode Island Tax Increment Financing” is hereby amended as follows:

24 **42-64.21-9. Sunset.**

25 No credits shall be authorized to be reserved pursuant to this chapter after December 31,
26 2023~~June 30, 2020~~.

27 SECTION 9. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled “Tax
28 Stabilization Incentive” is hereby amended as follows:

29 **42-64.22-15. Sunset.**

30 The commerce corporation shall enter into no agreement under this chapter after
31 December 31, 2023~~June 30, 2020~~.

32 SECTION 10. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled
33 “First Wave Closing Fund Act” is hereby amended as follows:

34 **42-64.23-8. Sunset.**

1 No financing shall be authorized to be reserved pursuant to this chapter after [December](#)
2 [31, 2023](#)~~[June 30, 2020](#)~~.

3 SECTION 11. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled “I-
4 195 Redevelopment Project Fund Act” is hereby amended as follows:

5 **42-64.24-8. Sunset.**

6 No funding, credits, or incentives shall be authorized or authorized to be reserved
7 pursuant to this chapter after [December 31, 2023](#)~~[June 30, 2020](#)~~.

8 SECTION 12. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled
9 “Small Business Assistance Program Act” is hereby repealed:

10 **~~42-64.25-14. Sunset.~~**

11 ~~No grants, funding, or incentives shall be authorized pursuant to this chapter after June~~
12 ~~30, 2020.~~

13 SECTION 13. Section 42-64.26-3 of the General Laws in Chapter 42-64.26 entitled
14 “Stay Invested in RI Wavemaker Fellowship” is hereby amended to read as follows:

15 **42-64.26-3. Definitions.**

16 As used in this chapter:

17 (1) “Eligible graduate” means an individual who meets the eligibility requirements under
18 this chapter.

19 (2) “Applicant” means an eligible graduate who applies for a tax credit for education loan
20 repayment expenses under this chapter.

21 (3) “Award” means a tax credit awarded by the commerce corporation to an applicant as
22 provided under this chapter.

23 [\(4\) “Business” means any applicant that is a corporation, state bank, federal savings bank,](#)
24 [trust company, national banking association, bank holding company, loan and investment](#)
25 [company, mutual savings bank, credit union, building and loan association, insurance company,](#)
26 [investment company, broker-dealer company or surety company, limited liability company,](#)
27 [partnership, sole proprietorship, or federal agency or subsidiaries thereof.](#)

28 [\(54\)](#) “Taxpayer” means an applicant who receives a tax credit under this chapter.

29 [\(65\)](#) “Commerce corporation” means the Rhode Island commerce corporation established
30 pursuant to chapter 64 of title 42.

31 [\(76\)](#) “Eligible expenses” or “education loan repayment expenses” means annual higher
32 education loan repayment expenses, including, without limitation, principal, interest and fees, as
33 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
34 repay for attendance at a post-secondary institution of higher learning.

1 (87) “Eligibility period” means a term of up to four (4) consecutive service periods
2 beginning with the date that an eligible graduate receives initial notice of award under this
3 chapter and expiring at the conclusion of the fourth service period after such date specified.

4 (98) “Eligibility requirements” means the following qualifications or criteria required for
5 an applicant to claim an award under this chapter:

6 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year
7 or graduate post-secondary institution of higher learning with an associate's, bachelor's, graduate,
8 or post-graduate degree and at which the applicant incurred education loan repayment expenses;

9 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer
10 located in this state throughout the eligibility period, whose employment is for work in one or
11 more of the following covered fields: life, natural or environmental sciences; computer,
12 information or software technology; advanced mathematics or finance; engineering; industrial
13 design or other commercially related design field; or medicine or medical device technology.

14 (109) “Full-time employee” means a person who is employed in Rhode Island by a
15 business for consideration for a minimum of at least thirty-five (35) hours per week, or who
16 renders any other standard of service generally accepted by custom or practice as full-time
17 employment, or who is employed by a professional employer organization pursuant to an
18 employee leasing agreement between the business and the professional employer organization for
19 a minimum of thirty-five (35) hours per week, or who renders any other standard of service
20 generally accepted by custom or practice as full-time employment and whose earnings are subject
21 to Rhode Island income tax, ~~and whose wages are subject to withholding.~~

22 (119) “Service period” means a twelve (12) month period beginning on the date that an
23 eligible graduate receives initial notice of award under this chapter.

24 (121) “Student loan” means a loan to an individual by a public authority or private lender
25 to assist the individual to pay for tuition, books, and living expenses in order to attend a post-
26 secondary institution of higher learning.

27 (132) “Rhode Island-based employer” means (i) an employer having a principal place of
28 business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an
29 employer registered to conduct business in this state that reported Rhode Island tax liability in the
30 previous tax year.

31 (143) “Fund” refers to the “Stay Invested in RI Wavemaker Fellowship Fund” established
32 pursuant to § 42-64.26-4.

33 SECTION 14. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled
34 “Stay Invested in RI Wavemaker Fellowship” is hereby amended to read as follows:

1 **42-64.26-12. Sunset.**

2 No incentives or credits shall be authorized pursuant to this chapter after [December 31,](#)

3 [2023](#)~~[June 30, 2020.](#)~~

4 SECTION 15. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled

5 “Main Street Rhode Island Streetscape Improvement Fund” is hereby amended as follows:

6 **42-64.27-6. Sunset.**

7 No incentives shall be authorized pursuant to this chapter after [December 31, 2023](#)~~[June](#)~~

8 ~~[30, 2020.](#)~~

9 SECTION 16. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled

10 “Innovation Initiative” is hereby amended as follows:

11 **42-64.28-10. Sunset.**

12 No vouchers, grants, or incentives shall be authorized pursuant to this chapter after

13 [December 31, 2023](#)~~[June 30, 2020.](#)~~

14 SECTION 17. Section 42-64.29-8 of the General Laws in Chapter 42-64.29 entitled

15 “Industry Cluster Grants” is hereby amended as follows:

16 **42-64.29-8. Sunset.**

17 No grants or incentives shall be authorized to be reserved pursuant to this chapter after

18 [December 31, 2023](#)~~[June 30, 2020.](#)~~

19 SECTION 18. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled

20 “High School, College, and Employer Partnerships” is hereby amended as follows:

21 **42-64.31-4. Sunset.**

22 No grants shall be authorized pursuant to this chapter after [December 31, 2023](#)~~[June 30,](#)~~

23 ~~[2020.](#)~~

24 SECTION 19. Section 42-64.32-6 of the General Laws in Chapter 42-64.32 entitled “Air

25 Service Development Fund” is hereby amended as follows:

26 **42-64.32-6. Sunset.**

27 No grants, credits, or incentives shall be authorized or authorized to be reserved pursuant

28 to this chapter after [December 31, 2023](#)~~[June 30, 2020.](#)~~

29 SECTION 20. It is hereby enacted as follows:

30 **42-64.33-1. Legislative findings.**

31 [\(a\) It is found and declared that:](#)

32 [\(1\) Rhode Island is home to a growing economy and municipalities are partners in the](#)

33 [state’s economic growth;](#)

34 [\(2\) The state seeks to work in even closer partnership with cities and towns to support](#)

economic development throughout the state;

(3) The state seeks to serve as resource and partner for best practices and technical assistance to enable the continued growth of cities and towns;

(4) Cities and towns have achieved great progress over the past four years through initiatives such as LEAN programs, e-permitting, and other process improvement programs and these successes should be built upon and expanded;

(5) Expanding statewide efforts in land-assembly and site-preparation is a core recommendation of the 2015 Brookings report "Rhode Island Innovates";

(6) Rhode Island lacks readily developable land and this lack of shovel ready sites can prevent manufacturers and other firms from locating in Rhode Island.

(7) Rhode Island can create a national model that integrates economic development processes across the state in a mutually accountable partnership with cities and towns and Rhode Island can develop an attractive portfolio of pre-permitted sites.

(8) This approach is premised upon cities and towns opting in – participating in ways that are of the greatest value to the local community involved.

42-64.33-2. Short title.

This chapter shall be known as "The State and Local Partnership Council Act."

42-64.33-3. Creation.

(a) There is authorized, created, and established a public corporation of the state having a distinct legal existence from the state and not constituting a department of state government, which is a governmental agency and public instrumentality of the state, to be known as the "state and local partnership council" with those powers and purposes that are set forth in this chapter, with the objectives of providing and promoting and encouraging the preservation, expansion and sound development of new and existing industry, business, commerce, and related tourism and recreational facilities, attracting and retaining "high value added" employment opportunities, and promoting thereby the economic development of the state and the general welfare of its citizens.

(b) The exercise by the council of the powers conferred by this chapter shall be deemed and held to be the performance of an essential governmental function of the state for public purposes. It is the intent of the general assembly by the passage of this chapter to vest in the council all powers, authority, rights, privileges, and titles which may be necessary to enable it to accomplish the purposes herein set forth, and this chapter and the powers granted hereby shall be liberally construed in conformity with those purposes.

(c) The council and its corporate existence shall continue until terminated by law or until the council shall cease entirely and continuously to conduct or be involved in any business

1 whatsoever in furtherance of its purposes; provided, that no termination shall take effect, so long
2 as the council shall have bonds, notes, or other obligations outstanding, unless adequate provision
3 shall have been made for the payment thereof pursuant to the documents securing the obligations
4 or to the terminating law. Upon termination of the existence of the council, all of its rights and
5 properties shall pass to and be vested in the commerce corporation, established pursuant to
6 chapter 64 of this title, or its successor or, if the commerce corporation is terminated and there is
7 no successor, in the state. At no time shall the assets or other property of the council inure to the
8 benefit of any person or other corporation or entity.

9 **42-64.33-4. Purposes.**

10 The council is authorized and established to carry out the program for the following
11 purposes:

12 (a) To foster and maintain strong collaborations with municipalities in the state.

13 (b) To provide all manner of support and assistance to municipalities in order to foster
14 economic development in Rhode Island .

15 (c) To promote site readiness in the state, including developing an inventory of vetted,
16 pad-ready sites in the state capable of supporting economic development and establishing a
17 professional capacity to develop, manage, and market lands to foster economic development in
18 Rhode Island.

19 (d) To establish, implement, and maintain high standards for design, improvement,
20 operation, and use of property in order to provide sites and related amenities for high quality
21 businesses that create high value-added jobs in Rhode Island.

22 (e) To plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, operate
23 and/or acquire or convey any parcels, tracts, areas or projects within participating municipalities.

24 **42-64.33-5. Definitions.**

25 (a) As used in this chapter, words and terms, shall have the meaning set forth in § 42-64-
26 3 unless this chapter provides a different meaning or unless the context indicates a different
27 meaning or intent.

28 (b) Within this chapter, the following words and terms shall have the following meanings
29 unless the context indicates a different meaning or intent:

30 (1) "Board" means the board of directors of the state and local partnership council.

31 (2) "Chairperson" means the chair of the board of the state and local partnership council.

32 (3) "Council" means the state and local partnership council.

33 (4) "Program" means the state and local partnership program to be carried out by the state
34 and local partnership council consistent with the provisions of this chapter.

1 **42-64.33-6. Assistance to municipalities.**

2 (a) Upon appropriate authorization by a municipality regarding participation in the
3 program, the council is authorized and empowered, in its discretion, to provide all manner of
4 support and assistance to municipalities in connection with fostering economic development
5 including, but not limited to, aiding in (i) the preparation, adoption or implementation of laws,
6 regulations, or processes related to development; and (ii) the planning and development of any
7 parcels, tracts, areas or projects within the municipality. Notwithstanding state and municipal law
8 or regulation to the contrary, such authorization, if needed, shall require a single vote of the
9 governing body of the municipality and the approval of the chief elected official, if any.

10 (b) In carrying out the program, the council is authorized and empowered to enter into
11 contractual agreements with municipalities, which contracts may include, among other things, for
12 the council to provide all manner of support and assistance to municipalities in connection with
13 fostering economic development including, but not limited to, aiding in the (i) preparation,
14 adoption or implementation of laws, regulations, or processes related to development; and (ii) the
15 planning and development of any parcels, tracts, areas or projects within the municipality; and
16 municipalities are authorized and empowered, notwithstanding any other law to the contrary, to
17 enter into any contractual agreements with the council and to do all things necessary to carry out
18 their obligations under the agreements.

19 (c)(1) Notwithstanding anything to the contrary in chapter 64.22 of title 42 of the general
20 laws or any regulations adopted in connection with the program created under chapter 64.22 of
21 title 42, if a qualifying community or hope community participating in the program grants a
22 qualifying tax stabilization agreement in connection with a qualifying development project, upon
23 recommendation by the council to the commerce corporation of eligibility of an enhanced award
24 and subject to availability of appropriated funds, the commerce corporation may provide a partial
25 reimbursement of no more than fifty percent (50%) of the qualifying community and/or hope
26 community's forgone tax revenue. The qualification for reimbursement shall cease upon any
27 termination or cessation of the underlying tax stabilization agreement or upon exhaustion of funds
28 appropriated pursuant to this section.

29 (2) Terms used in this subsection that are defined in chapter 64.22 of title 42, shall have
30 the meaning as assigned in chapter 64.22 of title 42.

31 (3) The council shall provide no more than five (5) certifications in any calendar year
32 under this subsection.

33 (d) Any department, agency, council, board or other instrumentality of the state shall
34 cooperate with the council in relation to the implementation, execution and administration of the

program created under this chapter.

42-64.33-7. General powers.

(a)(1) Except to the extent inconsistent with any specific provision of this chapter, the council shall have and may exercise all general powers set forth in this chapter and the following additional general powers:

(2) As set forth in § 42-64.10-5, § 42-64.10-6 and necessary or convenient to effect its purposes; provided, that the council shall exercise the powers enumerated in § 42-64.10-6(c) in its own name and stead with respect to the program and shall not have the powers set forth in §§ 42-64.10-6(d), 42-64.10-6(h) and 42-64.10-6(i)(3); and

(3) To grant, loan or provide other financial assistance in relation to the implementation, execution or administration of the program.

42-64.33-8. Regulations.

The council may adopt implementation guidelines, directives, criteria, rules and regulations pursuant to § 42-35-1, et seq. as are necessary for the implementation and administration of the program, including provisions for the imposition of fees or other charges in relation to the administration of the program.

42-64.33-9. Site readiness.

(a) To promote site readiness within the state, the council is authorized and empowered to:

(1) Develop a comprehensive, expedited permitting process in relation to parcels, tracts or areas as authorized by a municipality participating in the program or provide support and assistance consistent with applicable municipal law;

(2) Develop a pre-permitting process to allow for pre-permitted parcels, tracts or areas as authorized by a municipality participating in the program or provide support and assistance consistent with applicable municipal law;

(3) Issue any and all permits, licenses or other authorizations appropriate to carry-out the program; and

(4) Plan, construct, reconstruct, rehabilitate, alter, improve, develop, operate, maintain, any parcels, tracts, or projects owned by the council or other state instrumentality. To the extent provided by the authorization for participation of a municipality in the program, such parcels, tracts and projects shall be exempt from the zoning or other land use ordinances, codes, including building and fire codes, plans, or regulations of any municipality or political subdivision. Parcels, tracts, areas or projects which are planned, constructed, reconstructed, rehabilitated, altered, improved, or developed by the council in accordance with the exemption provisions of this

1 subsection may be maintained and operated by lessees from and successors in interest to the
2 council in the same manner as if such parcel, tract, area or project had been in existence prior to
3 the enactment of the zoning or other land use ordinances, codes, plans, or regulations which, but
4 for this chapter, would otherwise be applicable.

5 (6) Notwithstanding any provision in this chapter to the contrary, in those instances in
6 which the department of environmental management exercises a permitting or licensing function
7 under the delegated authority of federal law, including, but not limited to, the Federal Clean
8 Water Act (33 U.S.C. § 1251 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §
9 6901 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), Coastal Zone Management Act of
10 1972 (16 U.S.C. § 1451 et seq.), and those state laws and regulations which implement those
11 federal laws, the department of environmental management shall be the licensing and permitting
12 authority. Further, notwithstanding any provision in this chapter to the contrary, in those
13 instances in which the coastal resources management council exercises a permitting, licensing or
14 other regulatory function under the delegated authority of federal law, including, but not limited
15 to, the Coastal Zone Management Act (16 U.S.C. § 1451 et seq.), and those state laws and
16 regulations which implement those federal laws, the coastal resources management council shall
17 be the licensing, permitting and regulatory authority. Moreover, the authority of the department
18 of environmental management and the coastal resources management council authorities under
19 state law, including but not limited to issuing licenses and permits delegated to the department of
20 environmental management pursuant to chapter 1 of title 2 and to the coastal resources
21 management council pursuant to chapter 23 of title 46, shall remain with those agencies.

22 (c) The council shall, in planning, constructing, reconstructing, rehabilitating, altering, or
23 improving any parcel, tract, area or project, comply with all requirements of federal laws, codes,
24 or regulations applicable to that planning, construction, reconstruction, rehabilitation, alteration,
25 or improvement. Except as otherwise specifically provided to the contrary in the authorization
26 allowing participation by a municipality in the program or a contract entered into between the
27 council and such municipality pursuant to § 42-64.33-5(b) of this section, no municipality or
28 other political subdivision of the state shall have the power to modify or change in whole or in
29 part the drawings, plans, or specifications for any parcel, tract, area or project adopted by the
30 council; nor to require that any person, firm, or council employed with respect to that parcel,
31 tract, area or project perform work in any other or different manner than that provided by those
32 drawings, plans, and specifications; nor to require that any such person, firm, or council obtain
33 any approval, permit, or certificate from the municipality or political subdivision in relation to the
34 parcel, tract, area or project; and the doing of that work by any person, firm, or council in

1 accordance with the terms of those drawings, plans, specifications, or contracts shall not subject
2 the person, firm, or council to any civil liability or penalty, other than as may be stated in the
3 contracts or may be incidental to the proper enforcement thereof; nor shall any municipality or
4 political subdivision have the power to require the council, or any lessee or successor in interest,
5 to obtain any approval, permit, or certificate from the municipality or political subdivision as a
6 condition of owning, using, maintaining, operating, or occupying any parcel, tract, area or project
7 acquired, constructed, reconstructed, rehabilitated, altered, or improved by the council or pursuant
8 to drawings, plans, and specifications made or approved by the council; provided, however, that
9 nothing contained in this subsection shall be deemed to relieve any person, firm, or council from
10 the necessity of obtaining from any municipality or other political subdivision of the state any
11 license which, but for the provisions of this chapter, would be required in connection with the
12 rendering of personal services or sale at retail of tangible personal property.

13 (f) Except to the extent that the council shall expressly otherwise agree, a municipality or
14 political subdivision, including, but not limited to, a county, city, town, or district, in which a
15 project of the council is located, shall provide for the project, whether then owned by the council
16 or any successor in interest, police, fire, sanitation, health protection, and other municipal services
17 of the same character and to the same extent as those provided for other residents of that
18 municipality or political subdivision, but nothing contained in this section shall be deemed to
19 require any municipality or political subdivision to make capital expenditures for the sole purpose
20 of providing any of these services for that project.

21 **42-64.33-10. Directors, officers and employees.**

22 (a)(1) Directors. The powers of the council shall be vested in a board of directors
23 consisting of nine (9) members. The membership of the board shall consist of the chief executive
24 officer of the Rhode Island commerce corporation as chairperson, (who shall vote only in the
25 event of a tie), and eight (8) members appointed by the governor. The initial members of the
26 board appointed by the governor shall be divided into three (3) classes and shall serve initial
27 terms on the board of directors as follows: three (3) of the directors shall be appointed for an
28 initial term of one year; three (3) of the directors, shall be appointed for an initial term of two (2)
29 years; and two (2) of the directors shall be appointed for an initial term of three (3) years. Upon
30 expiration of each initial term and upon the expiration of each term thereafter, a successor shall
31 be appointed by the governor, to serve for a term of three (3) years so that members of the board
32 of directors shall serve for staggered terms of three (3) years each. Two (2) members of the board
33 shall be representatives of the municipalities of Rhode Island. A vacancy on the board, other than
34 by expiration, shall be filled in the same manner as an original appointment, but only for the

1 unexpired portion of the term. A member shall be eligible to succeed himself or herself.
2 Appointed directors shall not serve more than two (2) successive three (3) year terms but may be
3 reappointed after not being a director for a period of at least twelve (12) months. Each appointed
4 director shall hold office for the term for which the director is appointed and until the director's
5 successor shall have been appointed and qualified, or until the director's earlier death, resignation
6 or removal.

7 (2) The directors shall receive no compensation for the performance of their duties under
8 this chapter, but each director shall be reimbursed for his or her reasonable expenses incurred in
9 carrying out those duties. A director may engage in private employment, or in a profession or
10 business.

11 (3) Regular meetings of the directors shall be held at least once in each calendar quarter,
12 at the call of the chairperson or secretary, or in accordance with an annual schedule of meetings
13 adopted by the board. Special meetings may be called for any purposes by the chairperson or the
14 secretary and as provided for in the bylaws of the council.

15 (4) A majority of the directors then in office, but not less than three (3) directors, shall
16 constitute a quorum, and any action to be taken by the council under the provisions of this
17 chapter, may be authorized by resolution approved by a majority of the directors present and
18 entitled to a vote at any regular or special meeting at which a quorum is present. A vacancy in the
19 membership of the board of directors shall not impair the right of a quorum to exercise all of the
20 rights and perform all of the duties of the council. Any action taken by the council under the
21 provisions of this chapter may be authorized by a vote at any regular or special meeting, and each
22 vote shall take effect immediately, unless otherwise provided in the vote or approving resolution
23 of the board.

24 (b) Officers. The officers of the council shall include a chairperson, a secretary, and such
25 other officers as the board may from time to time establish.

26 (1) Chairperson. The governor shall appoint the chairperson of the board who shall, with
27 the concurrence of the board, appoint committee members, and preside at meetings of the board.

28 (2) Presiding Officer. The chairperson shall, from time to time, designate a presiding
29 officer from amongst the members of the board who shall preside at a given meeting in the
30 absence of the chairperson.

31 (3) Other officers. The board shall appoint a secretary, the duties of whom shall be
32 prescribed in the bylaws of the council.

33 (4) With the exception of the chairperson, any number of offices may be held by the same
34 person, unless the bylaws provide otherwise.

1 **42-64.33-11. Liability of the Council.**

2 The council is, subject to the period of limitations set forth in § 9-1-25, liable in actions
3 of tort only to the extent that those actions do not arise from the performance of any functions
4 found or deemed to be essential or discretionary governmental functions. Any recovery in an
5 action or any recovery by any person in one or more of any actions against the council, its
6 directors, employees, or agents, shall not exceed one hundred thousand dollars (\$100,000) per
7 plaintiff in the absence of fraud or willful misconduct. In the absence of fraud or willful
8 misconduct, the directors are not personally liable to any party on account of any action (whether
9 tort or otherwise) arising from or related to the manner or terms of the disposition of the council's
10 assets, nor shall the manner or terms of the disposition constitute a defense to any obligation
11 owed to the council.

12 **42-64.33-12. Compliance.**

13 The council shall comply with the following laws:

14 (a) Code of ethics, chapter 14 of title 36;

15 (b) Opening meetings, chapter 46 of this title;

16 (c) Access to public records, chapter 2 of title 38;

17 (d) Administrative procedures, chapter 35 of this title; and

18 (e) Governance and financial management of quasi-public corporations, as provided in
19 chapter 18 of title 35 with regard to obligations, financing leases, and guarantees and chapter 2 of
20 title 37 with regard to purchasing principles, policies, and practices, and by §§ 35-3-17.1, 35-6-
21 37, 35-7-13, 35-7-14, 35-20-6, 35-20-9, 42-11.3-2 and 42-11.3-4(A).

22 **42-64.33-13. Consistency with other statutes.**

23 (a) The Rhode Island Commerce Corporation Act. Except as otherwise expressly
24 provided by this chapter, the council shall have the powers necessary to accomplish the purposes
25 set forth in chapter 64 of this title. The council shall be, in the manner set forth in this chapter, a
26 subsidiary of the commerce corporation notwithstanding the requirements of § 42-64-7.1, and this
27 chapter shall be deemed fully satisfactory for purposes of § 42-64-7.1 as necessary to effectuate
28 the provisions of this chapter.

29 (b) Other state laws. Nothing contained in this chapter shall restrict or limit the powers of
30 the council arising under any laws of this state except where those powers are expressly contrary
31 to the provisions of this chapter; provided, however, that the council shall not have any power to
32 create, empower, or otherwise establish any corporation, subsidiary corporation, corporate body,
33 any form of partnership, or any other separate entity, without the express approval and
34 authorization of the general assembly. Except as otherwise provided, this chapter shall be

1 construed to provide a complete additional and alternative method for doing the things authorized
2 hereby and shall be regarded as supplemental and in addition to the powers conferred by other
3 laws.

4 **42-64.33-14. Inconsistent provisions.**

5 Insofar as the provisions of this chapter are inconsistent with the provisions of any other
6 law or ordinance, general, special or local, the provisions of this chapter shall be controlling.

7 **42-64.33-15. Construction – Liberal construction.**

8 This chapter, being necessary for the welfare of the state and its inhabitants, shall be
9 liberally construed so as to effectuate its purposes.

10 **42-64.33-16. Severability.**

11 If any clause, sentence, paragraph, section, or part of this chapter shall be adjudged by
12 any court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or
13 invalidate the remainder of the chapter but shall be confined in its operation to the clause,
14 sentence, paragraph, section, or part directly involved in the controversy in which that judgment
15 shall have been rendered.

16 **42-64.33-17. Reporting requirements.**

17 The council shall publish a report summarizing municipality participation in the program
18 within sixty (60) days after the end of each fiscal year. The report shall contain information on the
19 commitment, disbursement, and use of funds expended by the council in relation to assistance to
20 municipalities.

21 SECTION 21. Section 44-11-11 of the General Laws in Chapter 44-11 entitled "Business
22 Corporation Tax" is hereby amended to read as follows:

23 **44-11-11. "Net income" defined.**

24 (a)(1) "Net income" means, for any taxable year and for any corporate taxpayer, the
25 taxable income of the taxpayer for that taxable year under the laws of the United States, plus:

- 26 (i) Any interest not included in the taxable income;
27 (ii) Any specific exemptions;
28 (iii) The tax imposed by this chapter; and minus
29 (iv) Interest on obligations of the United States or its possessions, and other interest
30 exempt from taxation by this state; and
31 (v) The federal net operating loss deduction.

32 (2) All binding federal elections made by or on behalf of the taxpayer applicable either
33 directly or indirectly to the determination of taxable income shall be binding on the taxpayer
34 except where this chapter or its attendant regulations specifically modify or provide otherwise.

1 Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal
2 Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election
3 of the foreign tax credit.

4 (b) A net operating loss deduction shall be allowed which shall be the same as the net
5 operating loss deduction allowed under 26 U.S.C. § 172, except that:

6 (1) Any net operating loss included in determining the deduction shall be adjusted to
7 reflect the inclusions and exclusions from entire net income required by subsection (a) of this
8 section and § 44-11-11.1;

9 (2) The deduction shall not include any net operating loss sustained during any taxable
10 year in which the taxpayer was not subject to the tax imposed by this chapter; and

11 (3) The deduction shall not exceed the deduction for the taxable year allowable under 26
12 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other
13 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for
14 the five (5) succeeding taxable years.

15 (c) "Domestic international sales corporations" (referred to as DISCs), for the purposes of
16 this chapter, will be treated as they are under federal income tax law and shall not pay the amount
17 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in
18 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

19 (d) A corporation which qualifies as a "foreign sales corporation" (FSC) under the
20 provisions of subchapter N, 26 U.S.C. § 861 et seq., and which has in effect for the entire taxable
21 year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax
22 computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same
23 manner as it is treated under federal income tax law as it exists on January 1, 1985.

24 [\(e\) For purposes of a corporation's state tax liability, any deduction to income allowable](#)
25 [under 26 U.S.C. 1400Z-2\(c\) may be claimed in the case of any investment held by the taxpayer](#)
26 [for at least seven years. The division of taxation shall promulgate, in its discretion, rules and](#)
27 [regulations relative to the accelerated application of deductions under 12 U.S.C. 1400Z-2\(c\).](#)

28 SECTION 22. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
29 Income Tax" is hereby amended to read as follows:

30 **44-30-2.6. Rhode Island taxable income -- Rate of tax.**

31 (a) "Rhode Island taxable income" means federal taxable income as determined under the
32 Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic, standard-
33 deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax
34 Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act

1 of 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

2 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
3 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
4 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-
5 five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year
6 2002 and thereafter of the federal income tax rates, including capital gains rates and any other
7 special rates for other types of income, except as provided in § 44-30-2.7, which were in effect
8 immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of
9 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator
10 beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the
11 commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or
12 after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in § 44-30-
13 2.10 to calculate his or her personal income tax liability.

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

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

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

7 The dollars amount contained in paragraph (A) shall be 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 subparagraphs (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.

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

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

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

18 26 U.S.C. § 1(h)(1)(a) and 26 U.S.C. § 1(h)(1)(b).

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

20 § 1(h)(1)(c).

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

22 U.S.C. § 1(h)(1)(d).

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

24 § 1(h)(1)(e).

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

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

27 (C) Itemized deductions.

28 (1) In general.

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

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

31 (2) Individuals who do not itemize their deductions.

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

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

34 (3) Basic standard deduction.

1 The Rhode Island standard deduction shall be allowed in accordance with the following
2 table:

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

8 (4) Additional standard deduction for the aged and blind. An additional standard
9 deduction shall be allowed for individuals age sixty-five (65) or older or blind in the amount of
10 \$1,300 for individuals who are not married and \$1,050 for individuals who are married.

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

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

- 15 (a) \$850;
16 (b) The sum of \$300 and such individual's earned income;
17 (6) Certain individuals not eligible for standard deduction.

18 In the case of:

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

22 The standard deduction shall be zero.

23 (7) Adjustments for inflation.

24 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an
25 amount equal to:

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

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

29 (D) Overall limitation on itemized deductions.

30 (1) General rule.

31 In the case of an individual whose adjusted gross income as modified by § 44-30-12
32 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
33 taxable year shall be reduced by the lesser of:

34 (a) Three percent (3%) of the excess of adjusted gross income as modified by § 44-30-12

1 over the applicable amount; or

2 (b) Eighty percent (80%) of the amount of the itemized deductions otherwise allowable

3 for such taxable year.

4 (2) Applicable amount.

5 (a) In general.

6 For purposes of this section, the term "applicable amount" means \$156,400 (\$78,200 in

7 the case of a separate return by a married individual)

8 (b) Adjustments for inflation.

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

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

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

12 (3) Phase-out of Limitation.

13 (a) In general.

14 In the case of taxable year beginning after December 31, 2005, and before January 1,

15 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which

16 would be the amount of such reduction.

17 (b) Applicable fraction.

18 For purposes of paragraph (a), the applicable fraction shall be determined in accordance

19 with the following table:

20 For taxable years beginning in calendar year	The applicable fraction is
21 2006 and 2007	2/3
22 2008 and 2009	1/3

23 (E) Exemption amount.

24 (1) In general.

25 Except as otherwise provided in this subsection, the term "exemption amount" means

26 \$3,400.

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

28 In the case of an individual with respect to whom a deduction under this section is

29 allowable to another taxpayer for the same taxable year, the exemption amount applicable to such

30 individual for such individual's taxable year shall be zero.

31 (3) Adjustments for inflation.

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

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

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

1 (4) Limitation.

2 (a) In general.

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

5 (b) Applicable percentage.

6 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
7 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
8 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
9 exceeds the threshold amount. In the case of a married individual filing a separate return, the
10 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
11 applicable percentage exceed one hundred percent (100%).

12 (c) Threshold Amount.

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

15	Filing status	Amount
16	Single	\$156,400
17	Married filing jointly of qualifying widow(er)	\$234,600
18	Married filing separately	\$117,300
19	Head of Household	\$195,500

20 (d) Adjustments for inflation.

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

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

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

24 (5) Phase-out of limitation.

25 (a) In general.

26 In the case of taxable years beginning after December 31, 2005, and before January 1,
27 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
28 would be the amount of such reduction.

29 (b) Applicable fraction.

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

32	For taxable years beginning in calendar year	The applicable fraction is
33	2006 and 2007	2/3
34	2008 and 2009	1/3

1 (F) Alternative minimum tax.

2 (1) General rule. There is hereby imposed (in addition to any other tax imposed by this

3 subtitle) a tax equal to the excess (if any) of:

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

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

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

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

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

9 (3) The amount determined under the preceding sentence shall be reduced by the

10 alternative minimum tax foreign tax credit for the taxable year.

11 (4) Taxable excess. For the purposes of this subsection the term "taxable excess" means

12 so much of the federal alternative minimum taxable income as modified by the modifications in §

13 44-30-12 as exceeds the exemption amount.

14 (5) In the case of a married individual filing a separate return, subparagraph (2) shall be

15 applied by substituting "\$87,500" for \$175,000 each place it appears.

16 (6) Exemption amount.

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

18	Filing status	Amount
19	Single	\$39,150
20	Married filing jointly or qualifying widow(er)	\$53,700
21	Married filing separately	\$26,850
22	Head of Household	\$39,150
23	Estate or trust	\$24,650

24 (7) Treatment of unearned income of minor children

25 (a) In general.

26 In the case of a minor child, the exemption amount for purposes of section (6) shall not

27 exceed the sum of:

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

29 (ii) \$6,000.

30 (8) Adjustments for inflation.

31 The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount

32 equal to:

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

34 by

1 (b) The cost-of-living adjustment determined under section (J) with a base year of 2004.
2 (9) Phase-out.

3 (a) In general.

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

7 (b) Threshold amount.

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

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

16 (c) Adjustments for inflation

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

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

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

20 (G) Other Rhode Island taxes.

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

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

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

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

27 (H) Tax for children under 18 with investment income.

28 (1) General rule. There is hereby imposed a tax equal to twenty-five percent
29 (25%) of:

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

31 (I) Averaging of farm income.

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

34 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C.

1 § 1301].

2 (J) Cost-of-living adjustment.

3 (1) In general.

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

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

6 (b) The CPI for the base year.

7 (2) CPI for any calendar year.

8 For purposes of paragraph (1), the CPI for any calendar year is the average of the
9 consumer price index as of the close of the twelve (12) month period ending on August 31 of
10 such calendar year.

11 (3) Consumer price index.

12 For purposes of paragraph (2), the term "consumer price index" means the last consumer
13 price index for all urban consumers published by the department of labor. For purposes of the
14 preceding sentence, the revision of the consumer price index that is most consistent with the
15 consumer price index for calendar year 1986 shall be used.

16 (4) Rounding.

17 (a) In general.

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

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

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

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

26 (2) Child and dependent care credit;

27 (3) General business credits;

28 (4) Credit for elderly or the disabled;

29 (5) Credit for prior year minimum tax;

30 (6) Mortgage interest credit;

31 (7) Empowerment zone employment credit;

32 (8) Qualified electric vehicle credit.

33 (L) Credit against tax for adoption. For tax years beginning on or after January 1, 2006, a
34 taxpayer entitled to the federal adoption credit shall be entitled to a credit against the Rhode

1 Island tax imposed under this section if the adopted child was under the care, custody, or
2 supervision of the Rhode Island department of children, youth and families prior to the adoption.

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

10 (N) Rhode Island earned-income credit .

11 (1) In general.

12 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-
13 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent
14 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode
15 Island income tax.

16 For tax years beginning on or after January 1, 2015, and before January 1, 2016, a
17 taxpayer entitled to a federal earned-income credit shall be allowed a Rhode Island earned-
18 income credit equal to ten percent (10%) of the federal earned-income credit. Such credit shall
19 not exceed the amount of the Rhode Island income tax.

20 For tax years beginning on or after January 1, 2016, a taxpayer entitled to a federal
21 earned-income credit shall be allowed a Rhode Island earned-income credit equal to twelve and
22 one-half percent (12.5%) of the federal earned-income credit. Such credit shall not exceed the
23 amount of the Rhode Island income tax.

24 For tax years beginning on or after January 1, 2017, a taxpayer entitled to a federal
25 earned-income credit shall be allowed a Rhode Island earned-income credit equal to fifteen
26 percent (15%) of the federal earned-income credit. Such credit shall not exceed the amount of the
27 Rhode Island income tax.

28 (2) Refundable portion.

29 In the event the Rhode Island earned-income credit allowed under paragraph (N)(1) of
30 this section exceeds the amount of Rhode Island income tax, a refundable earned-income credit
31 shall be allowed as follows.

32 (i) For tax years beginning before January 1, 2015, for purposes of paragraph (2)
33 refundable earned-income credit means fifteen percent (15%) of the amount by which the Rhode
34 Island earned-income credit exceeds the Rhode Island income tax.

1 (ii) For tax years beginning on or after January 1, 2015, for purposes of paragraph (2)
2 refundable earned-income credit means one hundred percent (100%) of the amount by which the
3 Rhode Island earned-income credit exceeds the Rhode Island income tax.

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

7 (3) For the period January 1, 2011, through December 31, 2011, and thereafter, "Rhode
8 Island taxable income" means federal adjusted gross income as determined under the Internal
9 Revenue Code, 26 U.S.C. § 1 et seq., and as modified for Rhode Island purposes pursuant to §
10 44-30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
11 subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to
12 subparagraph 44-30-2.6(c)(3)(C).

13 (A) Tax imposed.

14 (I) There is hereby imposed on the taxable income of married individuals filing joint
15 returns, qualifying widow(er), every head of household, unmarried individuals, married
16 individuals filing separate returns and bankruptcy estates, a tax determined in accordance with the
17 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

23 (II) There is hereby imposed on the taxable income of an estate or trust a tax determined
24 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

30 (B) Deductions:

31 (I) Rhode Island Basic Standard Deduction. Only the Rhode Island standard deduction
32 shall be allowed in accordance with the following table:

Filing status:	Amount
Single	\$7,500

1	Married filing jointly or qualifying widow(er)	\$15,000
2	Married filing separately	\$7,500
3	Head of Household	\$11,250

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

6 (III) In the case of any taxpayer whose adjusted gross income, as modified for Rhode
7 Island purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five
8 thousand dollars (\$175,000), the standard deduction 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 (C) Exemption Amount:

13 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)
14 multiplied by the number of exemptions allowed for the taxable year for federal income tax
15 purposes. For tax years beginning on or after 2018, the term "exemption amount" means the same
16 as it does in 26 U.S.C. § 151 and 26 U.S.C. § 152 just prior to the enactment of the Tax Cuts and
17 Jobs Act (Pub. L. 115-97) on December 22, 2017.

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

22 (III) Identifying information required.

23 (1) Except as provided in § 44-30-2.6(c)(3)(C)(II) of this section, no exemption shall be
24 allowed under this section with respect to any individual unless the Taxpayer Identification
25 Number of such individual is included on the federal return claiming the exemption for the same
26 tax filing period.

27 (2) Notwithstanding the provisions of § 44-30-2.6(c)(3)(C)(I) of this section, in the event
28 that the Taxpayer Identification Number for each individual is not required to be included on the
29 federal tax return for the purposes of claiming a personal exemption(s), then the Taxpayer
30 Identification Number must be provided on the Rhode Island tax return for the purpose of
31 claiming said exemption(s).

32 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode
33 Island purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five
34 thousand dollars (\$175,000), the exemption amount shall be reduced by the applicable

percentage. The term "applicable percentage" means twenty (20) percentage points for each five thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

(E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-2.6(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 equal to:

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

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

(III) For the purposes of this section, the cost-of-living adjustment for any calendar year is the percentage

(if any) by which the consumer price index for the preceding calendar year exceeds the consumer price index for the base year. The consumer price index for any calendar year is the average of the consumer price index as of the close of the twelve-month (12) period ending on August 31, of such calendar year.

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

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

(F) Credits against tax.

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

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

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

(c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax

1 credit as provided in § 44-30.3-1 et seq.

2 (d) Credit for income taxes of other states. Credit shall be allowed for income tax paid to
3 other states pursuant to § 44-30-74.

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

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

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

11 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for
12 contributions to scholarship organizations as provided in chapter 62 of title 44.

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

20 (j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested
21 in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

22 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
23 § 42-64.20-1 et seq.

24 (l) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode
25 Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

26 (m) Historic homeownership assistance act: Effective for tax year 2017 and thereafter,
27 unused carryforward for such credit previously issued shall be allowed for the historic
28 homeownership assistance act as provided in § 44-33.1-4. This allowance is for credits already
29 issued pursuant to § 44-33.1-4 and shall not be construed to authorize the issuance of new credits
30 under the historic homeownership assistance act.

31 (n) Credit for Qualified Research Expenses: Effective for tax year 2019 and thereafter
32 credit for qualified research expenses generated or awarded under § 44-32-3.1 shall be allowed.

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

1 SECTION 23. 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.**

4 (a) General. The Rhode Island income of a resident individual means his or her adjusted
5 gross income for federal income 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 from
17 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.

1 (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted
2 gross income if he or she, while living, donates one or more of his or her human organs to another
3 human being for human organ transplantation, except that for purposes of this subsection, "human
4 organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract
5 modification that is claimed hereunder may be claimed in the taxable year in which the human
6 organ transplantation occurs.

7 (ii) An individual may claim that subtract modification hereunder only once, and the
8 subtract modification may be claimed for only the following unreimbursed expenses that are
9 incurred by the claimant and related to the claimant's organ donation:

10 (A) Travel expenses.

11 (B) Lodging expenses.

12 (C) Lost wages.

13 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
14 nonresident of this state.

15 (8) Modification for taxable Social Security income.

16 (i) For tax years beginning on or after January 1, 2016:

17 (A) For a person who has attained the age used for calculating full or unreduced social
18 security retirement benefits who files a return as an unmarried individual, head of household or
19 married filing separate whose federal adjusted gross income for such taxable year is less than
20 eighty thousand dollars (\$80,000); or

21 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
22 attained the age used for calculating full or unreduced social security retirement benefits whose
23 joint federal adjusted gross income for such taxable year is less than one hundred thousand
24 dollars (\$100,000), an amount equal to the social security benefits includable in federal adjusted
25 gross income.

26 (ii) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
27 12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

28 (A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-
29 12(c)(8)(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 separate return, if any increase determined under this section is
9 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 (9) Modification for up to fifteen thousand dollars (\$15,000) of taxable retirement
12 income from certain pension plans or annuities.

13 (i) For tax years beginning on or after January 1, 2017, a modification shall be allowed
14 for up to fifteen thousand dollars (\$15,000) of taxable pension and/or annuity income that is
15 included in federal adjusted gross income for the taxable year:

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 the
19 amount used for the modification contained in § 44-30-12(c)(8)(i)(A) an amount not to exceed
20 \$15,000 of taxable pension and/or annuity income includable in federal adjusted gross income; or

21 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
22 has attained the age used for calculating full or unreduced social security retirement benefits
23 whose joint federal adjusted gross income for such taxable year is less than the amount used for
24 the modification contained in § 44-30-12(c)(8)(i)(B) an amount not to exceed \$15,000 of taxable
25 pension and/or annuity income includable in federal adjusted gross income.

26 (ii) Adjustment for inflation. The dollar amount contained by reference in §§ 44-30-
27 12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) shall be increased annually for tax years beginning on or
28 after January 1, 2018 by an amount equal to:

29 (A) Such dollar amount contained by reference in §§ 44-30-12(c)(9)(i)(A) and 44-30-
30 12(c)(9)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

31 (B) The cost-of-living adjustment with a base year of 2000.

32 (iii) For the purposes of this section, the cost-of-living adjustment for any calendar year is
33 the percentage (if any) by which the consumer price index for the preceding calendar year
34 exceeds the consumer price index for the base year. The consumer price index for any calendar

1 year is the average of the consumer price index as of the close of the twelve-month (12) period
2 ending on August 31, of such calendar year.

3 (iv) For the purpose of this section, the term "consumer price index" means the last
4 consumer price index for all urban consumers published by the department of labor. For the
5 purpose of this section, the revision of the consumer price index which is most consistent with the
6 consumer price index for calendar year 1986 shall be used.

7 (v) If any increase determined under this section is not a multiple of fifty dollars
8 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
9 case of a married individual filing a separate return, if any increase determined under this section
10 is not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
11 multiple of twenty-five dollars (\$25.00).

12 (10) Modification for Rhode Island investment in opportunity zones. For purposes of a
13 taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by
14 the taxpayer for at least seven (7) years, a modification to income shall be allowed for the
15 incremental difference between the benefit allowed under 26 U.S.C. 1400Z-2(b)(2)(B)(iv) and the
16 federal benefit allowed under 12 U.S.C. 1400Z-2(c).

17 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or
18 subtracted from, federal adjusted gross income (as the case may be) the taxpayer's share, as
19 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
20 30-17.

21 (e) Partners. The amounts of modifications required to be made under this section by a
22 partner, which relate to items of income or deduction of a partnership, shall be determined under
23 § 44-30-15.

24 SECTION 24. Section 44-32-3 of the General Laws in Chapter 44-32 entitled "Elective
25 Deduction for Research and Development Facilities" is hereby amended to read as follows:

26 **44-32-3. Credit for qualified research expenses.**

27 (a) A taxpayer shall be allowed a credit against the tax imposed by chapters 11, 17 or 30
28 of this title. The amount of the credit shall be five percent (5%)(and in the case of amounts paid
29 or accrued after January 1, 1998, twenty-two and one-half percent (22.5%) for the first twenty-
30 five thousand dollars (\$25,000) worth of credit and sixteen and nine-tenths percent (16.9%) for
31 the amount of credit above twenty-five thousand dollars (\$25,000)) of the excess, if any, of:

32 (1) The qualified research expenses for the taxable year, over

33 (2) The base period research expenses.

34 (b)(1) "Qualified research expenses" and "base period research expenses" have the same

1 meaning as defined in 26 U.S.C. § 41; provided, that the expenses have been incurred in this state
2 after July 1, 1994.

3 (2) Notwithstanding the provisions of subdivision (1) of this subsection, "qualified
4 research expenses" also includes amounts expended for research by property and casualty
5 insurance companies into methods and ways of preventing or reducing losses from fire and other
6 perils.

7 (c) The credit allowed under this section for any taxable year shall not reduce the tax due
8 for that year by more than fifty percent (50%) of the tax liability that would be payable, and in the
9 case of corporations, to less than the minimum fixed by § 44-11-2(e). If the amount of credit
10 allowable under this section for any taxable year is less than the amount of credit available to the
11 taxpayer any amount of credit not credited in that taxable year may be carried over to the
12 following year or years, and may be credited against the taxpayer's tax liability for that year or
13 years up to a maximum of seven (7) years; ~~and may be credited against the taxpayer's tax for that~~
14 ~~year or years~~ provided, however, that tax credits generated pursuant to this section on or after July
15 1, 2019 may be carried over to the following year or years, and may be credited against the
16 taxpayer's tax liability for that year or years up to a maximum of fifteen (15) years. For purposes
17 of chapter 30 of this title, if the credit allowed under this section for any taxable year exceeds the
18 taxpayer's tax for that year, the amount of credit not credited in that taxable year may be carried
19 over to the following year or years, up to a maximum of seven (7) years; ~~and may be credited~~
20 ~~against the taxpayer's tax for that year or years.~~ For purposes of determining the order in which
21 carry-overs are taken into consideration, the credit allowed by § 44-32-2 is taken into account
22 before the credit allowed under this section.

23 (d) The investment tax credit allowed by § 44-31-1 shall be taken into account before the
24 credit allowed under this section.

25 (e) The credit allowed under this section shall only be allowed against the tax of that
26 corporation included in a consolidated return that qualifies for the credit and not against the tax of
27 other corporations that may join in the filing of a consolidated return.

28 (f) In the event the taxpayer is a partnership, joint venture or small business corporation,
29 the credit is divided in the same manner as income.

30 SECTION 25. Section 44-32 of the General Laws entitled "Elective Deduction for
31 Research and Development Facilities" is hereby amended by adding thereto the following
32 section:

33 **44-32-3.1. Transferable credit for qualified research expenses.**

34 (a) On or after July 1, 2019, a taxpayer that is an early stage company or a company

1 substantially increasing its investment in research and development in this state may apply to the
2 commerce corporation for a tax credit of up to twenty-two and one-half percent (22.5%) of
3 qualified research expenses.

4 (b) The tax credits awarded under this section shall not exceed one million three hundred
5 thousand dollars annually.

6 (c) For purposes of this section the following definitions apply:

7 (1) Commerce corporation means the Rhode Island commerce corporation established
8 pursuant to § 42-64-1 et seq.

9 (2) “Company substantially increasing its investment in research and development in the
10 state” has the meaning prescribed to it in the regulations promulgated pursuant to subsection (e).

11 (3) “Early stage company” has the meaning prescribed to it in the regulations
12 promulgated pursuant to subsection (e).

13 (4) “Qualified research expenses” has the same meaning prescribed to it in § 44-32-
14 3(b)(1).

15 (5) “Substantially increase” or “substantially increasing” means (i) an increase in
16 qualifying expenditures in the state in an amount that the commerce corporation prescribes
17 pursuant to the regulations promulgated pursuant to subsection (e); and (ii) those additional
18 qualifications that the commerce corporation prescribes pursuant to the regulations promulgated
19 pursuant to subsection (e).

20 (d) If a taxpayer is awarded a tax credit pursuant to this section, the taxpayer may either
21 (1) apply the tax credit, in whole or in part, to the taxpayer’s tax liability; or (2) if the taxpayer
22 has not claimed in whole or in part, the taxpayer awarded the tax credit may sell, assign, transfer,
23 or convey the tax credit consistent with the regulations promulgated pursuant to subsection (e). If
24 the taxpayer applies the tax credit to the taxpayer’s tax liability and the amount of credit applied
25 for any taxable year is less than the amount of credit available to the taxpayer, any amount of
26 credit not credited in that taxable year may be carried over to the following year or years, up to a
27 maximum of fifteen (15) years, and may be credited against the taxpayer’s tax for that year or
28 years.

29 (e) The commerce corporation shall promulgate rules and regulations necessary for the
30 award of tax credits pursuant to this section. Further, the commerce corporation, in consultation
31 with the division of taxation, shall establish, by regulation, the process for the assignment,
32 transfer, or conveyance of tax credits. The commerce corporation shall consider applications for
33 tax credits under this section on a competitive basis, which the commerce corporation shall
34 determine in its sole discretion. Any assignment or sales proceeds received by the taxpayer for its

assignment or sale of the tax credits allowed pursuant to subsection (d) shall be exempt from taxation under title 44.

(f) Taxpayers who are awarded and claim tax credits under this section are ineligible for any tax credits that may also be available to the taxpayer under 44-32-3 for qualified research expenses incurred on or after July 1, 2019.

(g) Any tax credit approved by the commerce corporation pursuant to this section and used by the taxpayer pursuant to subsection (d) shall be taken into account after the credit allowed under § 44-32-3 if such credit is claimed by the taxpayer.

(h) The commerce corporation shall annually submit a report regarding the awards made and accepted pursuant to section to the governor, the speaker of the house of representatives, the president of the senate, the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, the division of taxation and the department of revenue.

(i) Any taxpayer receiving tax credits pursuant to section shall make annual reports to the commerce corporation as the commerce corporation prescribes in the regulations promulgated pursuant to subsection (e).

(j) No tax credits shall be authorized under section after December 31, 2023.

SECTION 26. Section 44-48.3-3 of the General Laws in Chapter 44-48.3 entitled "Rhode Island Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

44-48.3-3. Definitions.

As used in this chapter, unless the context clearly indicates otherwise, the following words and phrases shall have the following meanings:

(1) "Affiliate" or "affiliated entity" means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of an affiliated group of corporations as defined pursuant to § 1504 of the Internal Revenue Code of 1986 (26 U.S.C. § 1504) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the commerce corporation, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting full-time employee requirements of a business that applies for a credit under this chapter.

(2) "Business" means an applicant that is a corporation, state bank, federal savings bank, trust company, national banking association, bank holding company, loan and investment company, mutual savings bank, credit union, building and loan association, insurance company,

1 investment company, broker-dealer company or surety company, limited liability company,
2 partnership or sole proprietorship.

3 (3) "Commerce corporation" means the Rhode Island commerce corporation established
4 pursuant to chapter 64 of title 42.

5 (4) "Commitment period" means the period of time that at a minimum is twenty percent
6 (20%) greater than the eligibility period.

7 (5) "Eligibility period" means the period in which a business may claim a tax credit under
8 the program, beginning at the end of the tax period in which the commerce corporation issues a
9 certification for the business that it has met the employment requirements of the program and
10 extending thereafter for a term of not more than ten (10) years.

11 (6) "Eligible position" or "full-time job" means a full-time position in a business which
12 has been filled with a full-time employee who earns no less than the median hourly wage as
13 reported by the United States Bureau of Labor Statistics for the state of Rhode Island, provided,
14 that for economically fragile industries such as manufacturing, the commerce corporation may
15 reduce the wage threshold. An economically fragile industry shall not include retail.

16 (7) "Full-time employee" means a person who is employed by a business for
17 consideration for at least thirty-five (35) hours a week, or who is employed by a professional
18 employer organization pursuant to an employee leasing agreement between the business and the
19 professional employer organization for at least thirty-five (35) hours a week, and whose wages
20 are subject to withholding.

21 (8) "Hope community" means municipalities with a percentage of families below the
22 poverty level that is greater than the percentage of families below the poverty level for the state as
23 a whole as determined by the United States Census Bureau's most recent American Community
24 Survey.

25 (9) "Incentive agreement" means the contract between the business and the commerce
26 corporation, which sets forth the terms and conditions under which the business shall be eligible
27 to receive the incentives authorized pursuant to the program.

28 (10) "Incentive effective date" means the date the commerce corporation issues a
29 certification for issuance of tax credit based on documentation submitted by a business pursuant
30 to § 44-48.3-7.

31 (11) "Major economic development opportunity" means the expansion or relocation of a
32 business in a targeted industry where at least fifty-one percent of new full-time jobs are classified
33 as high wage as defined by the commerce corporation and where the expansion or relocation
34 meets additional criteria established by the commerce corporation which shall include but not be

1 limited to: (i) the creation of a minimum of 100 new full-time jobs in the state; or (ii) the
2 relocation or establishment of a regional or national headquarters or other major corporate hub in
3 the state.

4 (121) "New full-time job" means an eligible position created by the business that did not
5 previously exist in this state and which is created after approval of an application to the
6 commerce corporation under the program. Such job position cannot be the result of an acquisition
7 of an existing company located in Rhode Island by purchase, merger, or otherwise. For the
8 purposes of determining the number of new full-time jobs, the eligible positions of an affiliate
9 shall be considered eligible positions of the business so long as such eligible position(s) otherwise
10 meets the requirements of this section.

11 (132) "Partnership" means an entity classified as a partnership for federal income tax
12 purposes.

13 (143) "Program" means the incentive program established pursuant to this chapter.

14 (15) "Targeted industry" means any industry identified in the economic development
15 vision and policy promulgated under § 42-64.17-1 or, until such time as any economic
16 development vision and policy is promulgated, as identified by the commerce corporation.

17 (165) "Taxpayer" means a business granted a tax credit under this chapter or such person
18 entitled to the tax credit because the business is a pass through entity such as a partnership, S
19 corporation, sole proprietorship or limited liability company taxed as a partnership.

20 (176) "Transit oriented development area" means an area in proximity to mass-transit
21 infrastructure including, but not limited to, an airport, rail or intermodal facility that will be
22 further defined by regulation of the commerce corporation in consultation with the Rhode Island
23 department of transportation.

24 SECTION 27. Section 44-48.3-6 of the General Laws in Chapter 44-48.3 entitled "Rhode
25 Island Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

26 **44-48.3-6. Total amount of tax credit for eligible business.**

27 (a) The base amount of the tax credit for an eligible business for each new full-time job
28 shall be up to two thousand five hundred dollars (\$2,500) annually.

29 (b) The total tax credit amount shall be calculated and credited to the business annually
30 for each year of the eligibility period after the commerce corporation, in consultation with the
31 division of taxation, has verified that the jobs covered by the tax credit have generated sufficient
32 personal income taxes to comply with subsection (e) of this section.

33 (c) In addition to the base amount of the tax credit, the amount of the tax credit to be
34 awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d)

of this section, if the business meets any of the following criteria or such other additional criteria determined by the commerce corporation from time to time in response to evolving economic or market conditions:

- (1) For a business located within a hope community;
- (2) For a targeted industry;
- (3) For a business located within a transit oriented development area; and
- (4) For an out-of-state business that relocates a business unit or units or creates a significant number of new full-time jobs during the commitment period.

(d) For any application made to the commerce corporation from 2015 through June 30, 2018⁸⁹, the tax credit for an eligible business for each new full-time job shall not exceed seven thousand five hundred dollars (\$7,500) annually. For any application made to the commerce corporation on or after July 1, 2019, the tax credit for an eligible business for each new full-time job shall not exceed six thousand five hundred dollars (\$6,500) annually; provided, however, that a tax credit awarded to an eligible business for each full-time job may exceed such maximum up to \$7,500 annually so long as the commerce corporation, in its discretion, considers the eligible business a major economic development opportunity.

(e) Notwithstanding the provisions of subsections (a) through (d) of this section, for each application approved by the commerce corporation, the amount of tax credits available to be obtained by the business annually shall not exceed the reasonable W-2 withholding received by the state for each new full-time job created by a business for applications received by the commerce corporation in 2015 through 2018.

(f) The commerce corporation shall establish regulations regarding the conditions under which a business may submit more than one application for tax credits over time. The commerce corporation may place limits on repeat applications.

SECTION 28. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled "Rhode Island Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

44-48.3-14. Sunset.

No credits shall be authorized to be reserved pursuant to this chapter after December 31, 2023 ~~June 30, 2020~~.

ARTICLE 13

RELATING TO MINIMUM WAGES

SECTION 1. Section 28-12-3 of the General Laws in Chapter 28-12 entitled "Minimum Wages" is hereby amended to read as follows:

28-12-3. Minimum wages.

(a) Every employer shall pay to each of his or her employees: commencing July 1, 1999, at least the minimum wage of five dollars and sixty-five cents (\$5.65) per hour. Commencing September 1, 2000, the minimum wage is six dollars and fifteen cents (\$6.15) per hour.

(b) Commencing January 1, 2004, the minimum wage is six dollars and seventy-five cents (\$6.75) per hour.

(c) Commencing March 1, 2006, the minimum wage is seven dollars and ten cents (\$7.10) per hour.

(d) Commencing January 1, 2007, the minimum wage is seven dollars and forty cents (\$7.40) per hour.

(e) Commencing January 1, 2013, the minimum wage is seven dollars and seventy-five cents (\$7.75) per hour.

(f) Commencing January 1, 2014, the minimum wage is eight dollars (\$8.00) per hour.

(g) Commencing January 1, 2015, the minimum wage is nine dollars (\$9.00) per hour.

(h) Commencing January 1, 2016, the minimum wage is nine dollars and sixty cents (\$9.60) per hour.

(i) Commencing January 1, 2018, the minimum wage is ten dollars and ten cents (\$10.10) per hour.

(j) Commencing January 1, 2019, the minimum wage is ten dollars and fifty cents (\$10.50) per hour.

(k) Commencing January 1, 2020, the minimum wage is eleven dollars and ten cents (\$11.10) per hour.

SECTION 2. This article shall take effect upon passage.

ARTICLE 14

RELATING TO HEALTHCARE MARKET STABILITY

SECTION 1. Section 27-18.5-2 of the General Laws in Chapter 27-18.5 entitled "Individual Health Insurance Coverage" is hereby amended to read as follows:

27-18.5-2. Definitions.

The following words and phrases as used in this chapter have the following meanings unless a different meaning is required by the context:

(1) "Bona fide association" means, with respect to health insurance coverage offered in this state, an association which:

(i) Has been actively in existence for at least five (5) years;

(ii) Has been formed and maintained in good faith for purposes other than obtaining insurance;

1 (iii) Does not condition membership in the association on any health status-related factor
2 relating to an individual (including an employee of an employer or a dependent of an employee);

3 (iv) Makes health insurance coverage offered through the association available to all
4 members regardless of any health status-related factor relating to the members (or individuals
5 eligible for coverage through a member);

6 (v) Does not make health insurance coverage offered through the association available
7 other than in connection with a member of the association;

8 (vi) Is composed of persons having a common interest or calling;

9 (vii) Has a constitution and bylaws; and

10 (viii) Meets any additional requirements that the director may prescribe by regulation;

11 (2) "COBRA continuation provision" means any of the following:

12 (i) Section 4980(B) of the Internal Revenue Code of 1986, 26 U.S.C. § 4980B, other than
13 subsection (f)(1) of that section insofar as it relates to pediatric vaccines;

14 (ii) Part 6 of subtitle B of Title I of the Employee Retirement Income Security Act of
15 1974, 29 U.S.C. § 1161 et seq., other than Section 609 of that act, 29 U.S.C. § 1169; or

16 (iii) Title XXII of the United States Public Health Service Act, 42 U.S.C. § 300bb-1 et
17 seq.;

18 (3) "Creditable coverage" has the same meaning as defined in the United States Public
19 Health Service Act, Section 2701(c), 42 U.S.C. § 300gg(c), as added by P.L. 104-191;

20 (4) "Director" means the director of the department of business regulation;

21 (5) "Eligible individual" means an individual:

22 (i) For whom, as of the date on which the individual seeks coverage under this chapter,
23 the aggregate of the periods of creditable coverage is eighteen (18) or more months and whose
24 most recent prior creditable coverage was under a group health plan, a governmental plan
25 established or maintained for its employees by the government of the United States or by any of
26 its agencies or instrumentalities, or church plan (as defined by the Employee Retirement Income
27 Security Act of 1974, 29 U.S.C. § 1001 et seq.);

28 (ii) Who is not eligible for coverage under a group health plan, part A or part B of title
29 XVIII of the Social Security Act, 42 U.S.C. § 1395c et seq. or 42 U.S.C. § 1395j et seq., or any
30 state plan under title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq. (or any successor
31 program), and does not have other health insurance coverage;

32 (iii) With respect to whom the most recent coverage within the coverage period was not
33 terminated based on a factor described in § 27-18.5-4(b)(relating to nonpayment of premiums or
34 fraud);

1 (iv) If the individual had been offered the option of continuation coverage under a
2 COBRA continuation provision, or under chapter 19.1 of this title or under a similar state
3 program of this state or any other state, who elected the coverage; and

4 (v) Who, if the individual elected COBRA continuation coverage, has exhausted the
5 continuation coverage under the provision or program;

6 (6) "Group health plan" means an employee welfare benefit plan as defined in section
7 3(1) of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(1), to the extent
8 that the plan provides medical care and including items and services paid for as medical care to
9 employees or their dependents as defined under the terms of the plan directly or through
10 insurance, reimbursement or otherwise;

11 (7) "Health insurance carrier" or "carrier" means any entity subject to the insurance laws
12 and regulations of this state, or subject to the jurisdiction of the director, that contracts or offers to
13 contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care
14 services, including, without limitation, an insurance company offering accident and sickness
15 insurance, a health maintenance organization, a nonprofit hospital, medical or dental service
16 corporation, or any other entity providing a plan of health insurance or health benefits by which
17 health care services are paid or financed for an eligible individual or his or her dependents by
18 such entity on the basis of a periodic premium, paid directly or through an association, trust, or
19 other intermediary, and issued, renewed, or delivered within or without Rhode Island to cover a
20 natural person who is a resident of this state, including a certificate issued to a natural person
21 which evidences coverage under a policy or contract issued to a trust or association;

22 (8)(i) "Health insurance coverage" means a policy, contract, certificate, or agreement
23 offered by a health insurance carrier to provide, deliver, arrange for, pay for or reimburse any of
24 the costs of health care services. [Health insurance coverage include short-term limited duration
25 policies and any policy that pays on a cost-incurred basis, except as otherwise specifically
26 exempted by subsections \(ii\), \(iii\), \(iv\), or \(v\) of this section.](#)

27 (ii) "Health insurance coverage" does not include one or more, or any combination of, the
28 following:

29 (A) Coverage only for accident, or disability income insurance, or any combination of
30 those;

31 (B) Coverage issued as a supplement to liability insurance;

32 (C) Liability insurance, including general liability insurance and automobile liability
33 insurance;

34 (D) Workers' compensation or similar insurance;

1 (E) Automobile medical payment insurance;

2 (F) Credit-only insurance;

3 (G) Coverage for on-site medical clinics; [AND](#)

4 (H) Other similar insurance coverage, specified in federal regulations issued pursuant to

5 P.L. 104-191, under which benefits for medical care are secondary or incidental to other

6 insurance benefits; ~~and~~

7 ~~(I) Short-term limited duration insurance;~~

8 (iii) "Health insurance coverage" does not include the following benefits if they are

9 provided under a separate policy, certificate, or contract of insurance or are not an integral part of

10 the coverage:

11 (A) Limited scope dental or vision benefits;

12 (B) Benefits for long-term care, nursing home care, home health care, community-based

13 care, or any combination of these;

14 (C) Any other similar, limited benefits that are specified in federal regulation issued

15 pursuant to P.L. 104-191;

16 (iv) "Health insurance coverage" does not include the following benefits if the benefits

17 are provided under a separate policy, certificate, or contract of insurance, there is no coordination

18 between the provision of the benefits and any exclusion of benefits under any group health plan

19 maintained by the same plan sponsor, and the benefits are paid with respect to an event without

20 regard to whether benefits are provided with respect to the event under any group health plan

21 maintained by the same plan sponsor:

22 (A) Coverage only for a specified disease or illness; or

23 (B) Hospital indemnity or other fixed indemnity insurance; and

24 (v) "Health insurance coverage" does not include the following if it is offered as a

25 separate policy, certificate, or contract of insurance:

26 (A) Medicare supplemental health insurance as defined under section 1882(g)(1) of the

27 Social Security Act, 42 U.S.C. § 1395ss(g)(1);

28 (B) Coverage supplemental to the coverage provided under 10 U.S.C. § 1071 et seq.; and

29 (C) Similar supplemental coverage provided to coverage under a group health plan;

30 (9) "Health status-related factor" means any of the following factors:

31 (i) Health status;

32 (ii) Medical condition, including both physical and mental illnesses;

33 (iii) Claims experience;

34 (iv) Receipt of health care;

- 1 (v) Medical history;
- 2 (vi) Genetic information;
- 3 (vii) Evidence of insurability, including conditions arising out of acts of domestic
- 4 violence; and
- 5 (viii) Disability;
- 6 (10) "Individual market" means the market for health insurance coverage offered to
- 7 individuals other than in connection with a group health plan;
- 8 (11) "Network plan" means health insurance coverage offered by a health insurance
- 9 carrier under which the financing and delivery of medical care including items and services paid
- 10 for as medical care are provided, in whole or in part, through a defined set of providers under
- 11 contract with the carrier;
- 12 (12) "Preexisting condition" means, with respect to health insurance coverage, a
- 13 condition (whether physical or mental), regardless of the cause of the condition, that was present
- 14 before the date of enrollment for the coverage, for which medical advice, diagnosis, care, or
- 15 treatment was recommended or received within the six (6) month period ending on the enrollment
- 16 date. Genetic information shall not be treated as a preexisting condition in the absence of a
- 17 diagnosis of the condition related to that information; and
- 18 (13) "High-risk individuals" means those individuals who do not pass medical
- 19 underwriting standards, due to high health care needs or risks;
- 20 (14) "Wellness health benefit plan" means that health benefit plan offered in the
- 21 individual market pursuant to § 27-18.5-8; and
- 22 (15) "Commissioner" means the health insurance commissioner.

23 SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"

24 is hereby amended to read as follows:

25 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

26 Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all

27 restricted-receipt accounts, to be recorded as general revenues in the general fund. However, there

28 shall be no transfer from cash receipts with restrictions received exclusively: (1) From

29 contributions from non-profit charitable organizations; (2) From the assessment of indirect cost-

30 recovery rates on federal grant funds; or (3) Through transfers from state agencies to the

31 department of administration for the payment of debt service. These indirect cost recoveries shall

32 be applied to all accounts, unless prohibited by federal law or regulation, court order, or court

33 settlement. The following restricted receipt accounts shall not be subject to the provisions of this

34 section:

1	Executive Office of Health and Human Services
2	Organ Transplant Fund
3	HIV Care Grant Drug Rebates
4	Department of Human Services
5	Veterans' home -- Restricted account
6	Veterans' home -- Resident benefits
7	Pharmaceutical Rebates Account
8	Demand Side Management Grants
9	Veteran's Cemetery Memorial Fund
10	Donations -- New Veterans' Home Construction
11	Department of Health
12	Pandemic medications and equipment account
13	Miscellaneous Donations/Grants from Non-Profits
14	State Loan Repayment Match
15	Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
16	Eleanor Slater non-Medicaid third-party payor account
17	Hospital Medicare Part D Receipts
18	RICLAS Group Home Operations
19	Commission on the Deaf and Hard of Hearing
20	Emergency and public communication access account
21	Department of Environmental Management
22	National heritage revolving fund
23	Environmental response fund II
24	Underground storage tanks registration fees
25	Rhode Island Historical Preservation and Heritage Commission
26	Historic preservation revolving loan fund
27	Historic Preservation loan fund -- Interest revenue
28	Department of Public Safety
29	Forfeited property -- Retained
30	Forfeitures -- Federal
31	Forfeited property -- Gambling
32	Donation -- Polygraph and Law Enforcement Training
33	Rhode Island State Firefighter's League Training Account
34	Fire Academy Training Fees Account

1	Attorney General
2	Forfeiture of property
3	Federal forfeitures
4	Attorney General multi-state account
5	Forfeited property -- Gambling
6	Department of Administration
7	OER Reconciliation Funding
8	Health Insurance Market Integrity Fund
9	RI Health Benefits Exchange
10	Information Technology Investment Fund
11	Restore and replacement -- Insurance coverage
12	Convention Center Authority rental payments
13	Investment Receipts -- TANS
14	OPEB System Restricted Receipt Account
15	Car Rental Tax/Surcharge-Warwick Share
16	Executive Office of Commerce
17	Housing Resources Commission Restricted Account
18	Department of Revenue
19	DMV Modernization Project
20	Jobs Tax Credit Redemption Fund
21	Legislature
22	Audit of federal assisted programs
23	Department of Children, Youth and Families
24	Children's Trust Accounts -- SSI
25	Military Staff
26	RI Military Family Relief Fund
27	RI National Guard Counterdrug Program
28	Treasury
29	Admin. Expenses -- State Retirement System
30	Retirement -- Treasury Investment Options
31	Defined Contribution -- Administration - RR
32	Violent Crimes Compensation -- Refunds
33	Treasury Research Fellowship
34	Business Regulation

1 Banking Division Reimbursement Account
2 Office of the Health Insurance Commissioner Reimbursement Account
3 Securities Division Reimbursement Account
4 Commercial Licensing and Racing and Athletics Division Reimbursement Account
5 Insurance Division Reimbursement Account
6 Historic Preservation Tax Credit Account
7 Judiciary
8 Arbitration Fund Restricted Receipt Account
9 Third-Party Grants
10 RI Judiciary Technology Surcharge Account
11 Department of Elementary and Secondary Education
12 Statewide Student Transportation Services Account
13 School for the Deaf Fee-for-Service Account
14 School for the Deaf -- School Breakfast and Lunch Program
15 Davies Career and Technical School Local Education Aid Account
16 Davies -- National School Breakfast & Lunch Program
17 School Construction Services
18 Office of the Postsecondary Commissioner
19 Higher Education and Industry Center
20 Department of Labor and Training
21 Job Development Fund
22 SECTION 3. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is
23 hereby amended by adding thereto the following sections:
24 **44-30-101. Requirements concerning qualifying health insurance coverage.**
25 (a) Definitions. For purposes of this section:
26 (1) "Applicable individual" has the same meaning as set forth in 26 U.S.C. § 5000A(d).
27 (2) "Minimum essential coverage" has the same meaning as set forth in 26 U.S. C. §
28 5000A(f).
29 (3) "Shared Responsibility Payment Penalty" means the penalty imposed pursuant to
30 subsection (c) of this section.
31 (4) "Taxpayer" means any resident individual, as defined in section 44-30-5 of the
32 general laws.
33 (b) Requirement to maintain minimum essential coverage. Every applicable individual
34 must maintain minimum essential coverage for each month beginning after December 31, 2019.

1 (c) Shared Responsibility Payment Penalty imposed for failing to maintain minimum
2 essential coverage. As of January 1, 2020, every applicable individual required to file a personal
3 income tax return pursuant to section 44-30-51 of the general laws, shall indicate on the return, in
4 a manner to be prescribed by the tax administrator, whether and for what period of time during
5 the relevant tax year the individual and his or her spouse and dependents who are applicable
6 individuals were covered by minimum essential coverage. If a return submitted pursuant to this
7 subsection fails to indicate that such coverage was in force or indicates that any applicable
8 individuals did not have such coverage in force, a Shared Responsibility Payment Penalty shall
9 hereby be assessed as a tax on the return.

10 (d) Shared Responsibility Payment Penalty calculation. Except as provided in subsection
11 (e), the Shared Responsibility Payment Penalty imposed shall be equal to a taxpayer's federal
12 shared responsibility payment for the taxable year under section 5000A of the Internal Revenue
13 Code of 1986, as amended, and as in effect on the 15th day of December 2017.

14 (e) Exceptions.

15 (1) Penalty cap. The amount of the Shared Responsibility Payment Penalty imposed
16 under this section shall be determined, if applicable, using the statewide average premium for
17 bronze-level plans offered through the Rhode Island health benefits exchange rather than the
18 national average premium for bronze-level plans.

19 (2) Hardship exemption determinations. Determinations as to hardship exemptions shall
20 be made by the exchange under section 42-157-11 of the general laws.

21 (3) Religious conscience exemption determinations. Determinations as to religious
22 conscience exemptions shall be made by the exchange under section 42-157-11 of the general
23 laws.

24 (4) Taxpayers with gross income below state filing threshold. No penalty shall be
25 imposed under this section with respect to any applicable individual for any month during a
26 calendar year if the taxpayer's household income for the taxable year as described in section
27 1412(b)(1)(B) of the Patient Protection and Affordable Care Act is less than the amount of gross
28 income requiring the taxpayer to file a return as set forth in section 44-30-51 of the general laws.

29 (5) Out of State Residents. No penalty shall be imposed by this section with respect to
30 any applicable individual for any month during which the individual is a bona fide resident of
31 another state.

32 (f) Health Insurance Market Integrity Fund. The tax administrator is authorized to
33 withhold from any state tax refund due to the taxpayer an amount equal to the calculated Shared
34 Responsibility Payment Penalty and shall place such amounts in the Health Insurance Market

1 Integrity Fund created pursuant to section 42-157.1-5 of the general laws.

2 (g) Deficiency. If, upon examination of a taxpayer's return, the tax administrator
3 determines there is a deficiency because any refund due to the taxpayer is insufficient to satisfy
4 the Shared Responsibility Penalty or because there was no refund due, the tax administrator may
5 notify the taxpayer of such deficiency in accordance with section 44-30-81 and interest shall
6 accrue on such deficiency as set forth in section 44-30-84. All monies collected on said
7 deficiency shall be placed in the Health Insurance Market Integrity Fund created pursuant to
8 section 42-157.1-5 of the general laws.

9 (h) Data Sharing.

10 (1) The tax administrator, upon written request from the exchange pursuant to section 42-
11 157-13 of the general laws, shall disclose to officers, employees, and contractors of the exchange,
12 the name, age, mailing address, income and penalty amount of any such applicable individual
13 who, for the applicable year, did not have the minimum essential coverage required by subsection
14 44-30-101(b).

15 (2) Definition of applicable year. For purposes of this subsection, the term "applicable
16 year" means the most recent taxable year for which information is available in the Rhode Island
17 Department of Revenue's taxpayer data information systems, or, if there is no return filed for
18 such taxpayer for such year, the prior taxable year.

19 (3) Restriction on use of disclosed information. Taxpayer information disclosed under
20 this subsection may be used only for the purposes authorized by section 42-157-13 of the general
21 laws.

22 (4) Privacy and Security. The exchange and the tax administrator shall develop a detailed
23 set of data privacy and data security safeguards to govern the conveyance of data between their
24 agencies under this section. With respect to information disclosed by the tax administrator to the
25 exchange pursuant to this subsection, the exchange its officers, employees and contractors shall
26 be subject to R.I. Gen. Laws subsection 44-30-95(c).

27 (i) Application of Federal law. The Shared Responsibility Payment Penalty shall be
28 assessed and collected as set forth in this chapter and, where applicable, consistent with
29 regulations promulgated by the federal government, the exchange and/or the tax administrator.
30 Any federal regulation implementing section 5000A of the Internal Revenue Code of 1986, as
31 amended, and in effect on the 15th day of December 2017, shall apply as though incorporated
32 into the Rhode Island Code of Regulations. Federal guidance interpreting these federal
33 regulations shall similarly apply. Except as provided in subsections (j) and (k), all references to
34 federal law shall be construed as references to federal law as in effect on December 15, 2017,

1 including applicable regulations and administrative guidance that were in effect as of that date.

2 (j) Unavailability of Federal premium tax credits. For any taxable year in which federal
3 premium tax credits available pursuant to 26 U.S.C. section 36B become unavailable due to the
4 federal government repealing that section or failing to fund the premium tax credits, the Shared
5 Responsibility Payment Penalty under this section shall not be enforced.

6 (k) Imposition of Federal shared responsibility payment. For any taxable year in which a
7 federal penalty under section 5000A of the Internal Revenue Code of 1986 is imposed on a
8 taxpayer in an amount comparable to the Shared Responsibility Payment Penalty assessed under
9 this section, the state penalty shall not be enforced.

10 (m) Agency Coordination. Where applicable, the tax administrator shall implement this
11 section in consultation with the office of the health insurance commissioner, the office of
12 management and budget, the executive office of health and human services, and the Rhode Island
13 health benefits exchange.

14 **44-30-102. Reporting Requirement for Applicable Entities providing Minimum**
15 **Essential Coverage.**

16 (a) Findings.

17 (1) Ensuring the health of insurance markets is a responsibility reserved for states under
18 the McCarran-Ferguson Act and other federal law.

19 (2) There is substantial evidence that being uninsured causes health problems and
20 unnecessary deaths.

21 (3) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of
22 the general laws is necessary to protect the health and welfare of the state's residents.

23 (4) The reporting requirement provided for in this section is necessary for the successful
24 implementation of the Shared Responsibility Payment Penalty imposed by subsection 44-30-
25 101(c) of the general laws. This requirement provides the only widespread source of third-party
26 reporting to help taxpayers and the tax administrator verify whether an applicable individual
27 maintains minimum essential coverage. There is compelling evidence that third-party reporting is
28 crucial for ensuring compliance with tax provisions.

29 (5) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of
30 the general laws, and therefore the reporting requirement in this section, is necessary to ensure a
31 stable and well-functioning health insurance market. There is compelling evidence that, without
32 an effective Shared Responsibility Payment Penalty in place for those who go without coverage,
33 there would be substantial instability in health insurance markets, including higher prices and the
34 possibility of areas without any insurance available.

1 (6) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of
2 the general laws, and therefore the reporting requirement in this section, is also necessary to
3 foster economic stability and growth in the state.

4 (7) The reporting requirement in this section has been narrowly tailored to support
5 compliance with the Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c)
6 of the general laws, while imposing only an incidental burden on reporting entities. In particular,
7 the information that must be reported is limited to the information that must already be reported
8 under a similar federal reporting requirement under section 6055 of the Internal Revenue Code of
9 1986. In addition, this section provides that its reporting requirement may be satisfied by
10 providing the same information that is currently reported under such federal requirement.

11 (b) Definitions. For purposes of this section:

12 (1) “Applicable entity” means:

13 (i) An employer or other sponsor of an employment-based health plan that offers
14 employment-based minimum essential coverage to any resident of Rhode Island.

15 (ii) The Rhode Island Medicaid single state agency providing Medicaid or Children’s
16 Health Insurance Program (CHIP) coverage.

17 (iii) Carriers licensed or otherwise authorized by the Rhode Island office of the health
18 insurance commissioner to offer health coverage providing coverage that is not described in
19 subparagraphs (i) or (ii).

20 (2) “Minimum essential coverage” has the meaning given such term by section 44-30-
21 101(a)(2) of the general laws.

22 (c) For purposes of administering the Shared Responsibility Payment Penalty to
23 individuals who do not maintain minimum essential coverage under subsection 44-30-101(b) of
24 the general laws, every applicable entity that provides minimum essential coverage to an
25 individual during a calendar year shall, at such time as the tax administrator may prescribe, file a
26 form in a manner prescribed by the tax administrator.

27 (d) Form and manner of return.

28 (1) A return, in such form as the tax administrator may prescribe, contains the following
29 information:

30 (i) the name, address and TIN of the primary insured and the name and TIN of each other
31 individual obtaining coverage under the policy;

32 (ii) the dates during which such individual was covered under minimum essential
33 coverage during the calendar year, and

34 (iii) such other information as the tax administrator may require.

1 (2) Sufficiency of information submitted for federal reporting. Notwithstanding the
2 requirements of paragraph (1), a return shall not fail to be a return described in this section if it
3 includes the information contained in a return described in section 6055 of the Internal Revenue
4 Code of 1986, as that section is in effect and interpreted on the 15th day of December 2017.

5 (e) Statements to be furnished to individuals with respect to whom information is
6 reported.

7 (1) Any applicable entity providing a return under the requirements of this section shall
8 also provide to each individual whose name is included in such return a written statement
9 containing the name, address and contact information of the person required to provide the return
10 to the tax administrator and the information included in the return with respect to the individuals
11 listed thereupon. Such written statement must be provided on or before January 31 of the year
12 following the calendar year for which the return was required to be made or by such date as may
13 be determined by the tax administrator.

14 (2) Sufficiency of federal statement. Notwithstanding the requirements of paragraph (1),
15 the requirements of this subsection (e) may be satisfied by a written statement provided to an
16 individual under section 6055 of the Internal Revenue Code of 1986, as that section is in effect
17 and interpreted on the 15th day of December 2017.

18 (f) Reporting responsibility.

19 (1) Coverage provided by governmental units. In the case of coverage provided by an
20 applicable entity that is any governmental unit or any agency or instrumentality thereof, the
21 officer or employee who enters into the agreement to provide such coverage (or the person
22 appropriately designated for purposes of this section) shall be responsible for the returns and
23 statements required by this section.

24 (2) Delegation. An applicable entity may contract with third-party service providers,
25 including insurance carriers, to provide the returns and statements required by this section.

26 SECTION 4. Chapter 42-157 of the General Laws entitled "Rhode Island Health Benefit
27 Exchange" is hereby amended by adding thereto the following section:

28 **42-157-11. Exemptions from the shared responsibility payment penalty.**

29 (a) Establishment of program. The exchange shall establish a program for determining
30 whether to grant a certification that an individual is entitled to an exemption from the Shared
31 Responsibility Payment Penalty set forth in section 44-30-101(c) of the general laws by reason of
32 religious conscience or hardship.

33 (b) Eligibility determinations. The exchange shall make determinations as to whether to
34 grant a certification described in subsection (a). The exchange shall notify the individual and the

1 tax administrator for the Rhode Island Department of Revenue of any such determination in such
2 a time and manner as the exchange, in consultation with the tax administrator, shall prescribe. In
3 notifying the tax administrator, the exchange shall adhere to the data privacy and data security
4 standards adopted in accordance with section 44-30-101(i)(4) of the general laws and 45 C.F.R.
5 155.260. The exchange shall only be required to notify the tax administrator to the extent that the
6 exchange determines such disclosure is permitted under 45 C.F.R. 155.260.

7 (c) Appeals. Any person aggrieved by the exchange’s determination of eligibility for an
8 exemption under this section has the right to an appeal in accordance with the procedures
9 contained within chapter 35 of title 42.

10 **42-157-12. Special enrollment period for qualified individuals assessed a shared**
11 **responsibility payment penalty.**

12 (a) Definitions. The following definition shall apply for purposes of this section:

13 (1) “Special enrollment period” means a period during which a qualified individual who
14 is assessed a penalty in accordance with section 44-30-101 may enroll in a qualified health plan
15 through the exchange outside of the annual open enrollment period.

16 (b) In the case of a qualified individual who is assessed a shared responsibility payment
17 in accordance with section 44-30-101 of the general laws and who is not enrolled in a qualified
18 health plan, the exchange must provide a special enrollment period consistent with this section
19 and the Federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by
20 the Federal Care and Reconciliation Act of 2010 (Public Law 111-152), and any amendments to,
21 or regulations or guidance issued under, those acts.

22 (c) Effective Date. The exchange must ensure that coverage is effective for a qualified
23 individual who is eligible for a special enrollment period under this section on the first day of the
24 month after the qualified individual completes enrollment in a qualified health plan through the
25 exchange.

26 (d) Availability and length of special enrollment period. A qualified individual has sixty
27 (60) days from the date he or she is assessed a penalty in accordance with section 44-30-101 of
28 the general laws to complete enrollment in a qualified health plan through the exchange. The date
29 of assessment shall be determined in accordance with section 44-30-82 of the general laws.

30 **42-157-13. Outreach to Rhode Island residents and individuals assessed a shared**
31 **responsibility payment penalty.**

32 Outreach. The exchange, in consultation with the Office of the Health Insurance
33 Commissioner and the Division of Taxation, is authorized to engage in coordinated outreach
34 efforts to educate Rhode Island residents about the importance of health insurance coverage, their

1 [responsibilities to maintain minimum essential coverage as defined in section 44-30-101 of the](#)
2 [general laws, the penalties for failure to maintain such coverage, and information on the services](#)
3 [available through the exchange.](#)

4 **42-157-14. Regulatory authority.**

5 [\(a\) Regulatory Authority. The exchange may promulgate regulations as necessary to](#)
6 [carry out the purposes of this chapter.](#)

7 SECTION 5. Sections 42-157.1-1 and 42-157.1-5 of the General Laws in Chapter 42-
8 157.1 entitled "Rhode Island Market Stability and Reinsurance Act" are hereby amended to read
9 as follows:

10 **42-157.1-1. Short title and purpose.**

11 (a) This chapter shall be known and may be cited as the "Rhode Island Market Stability
12 and Reinsurance Act."

13 (b) The purpose of this chapter is to authorize the director to create the Rhode Island
14 reinsurance program to stabilize health insurance rates and premiums in the individual market and
15 provide greater financial certainty to consumers of health insurance in this state.

16 ~~(c) Nothing in this chapter shall be construed as obligating the state to appropriate funds~~
17 ~~or make payments to carriers.~~

18 **42-157.1-5. Establishment of program fund.**

19 (a) ~~A fund shall be~~ [The Health Insurance Market Integrity Fund is hereby](#) established to
20 provide funding for the operation and administration of the program in carrying out the purposes
21 of the program under this chapter.

22 (b) The director is authorized to administer the fund.

23 (c) The fund shall consist of:

24 (1) Any pass-through funds received from the federal government under a waiver
25 approved under 42 U.S.C. § 18052;

26 (2) Any funds designated by the federal government to provide reinsurance to carriers
27 that offer individual health benefit plans in the state;

28 (3) Any funds designated by the state to provide reinsurance to carriers that offer
29 individual health benefit plans in the state; and

30 (4) Any other money from any other source accepted for the benefit of the fund.

31 ~~(d) Nothing in this chapter shall be construed as obligating the state to appropriate funds~~
32 ~~or make payments to carriers.~~

33 [\(d\) A restricted receipt account shall be established for the fund which may be used for](#)
34 [the purposes set forth in this section and shall be exempt from the indirect cost recovery](#)

1 [provisions of section 35-4-27 of the general laws.](#)

2 [\(e\) Monies in the fund shall be used to provide reinsurance to health insurance carriers as](#)
3 [set forth in this chapter and its implementing regulations, and to support the personnel costs,](#)
4 [operating costs and capital expenditures of the exchange and the division of taxation that are](#)
5 [necessary to carry out the provisions of this chapter, sections 44-30-101 through 44-30-102 and](#)
6 [sections 42-157-11 through 42-157-14 of the general laws.](#)

7 [\(f\) Any excess monies remaining in the fund, not including any monies received from the](#)
8 [federal government pursuant to paragraphs \(1\) or \(2\) and after making the payments required by](#)
9 [subsection \(f\), may be used for preventative health care programs for vulnerable populations in](#)
10 [consultation with the executive office of health and human services.](#)

11 **42-157.1-7. Program contingent on federal waiver ~~and appropriation of state~~**
12 **funding.**

13 If the state innovation waiver request in § 42-157.1-6 is not approved, the director shall
14 not implement the program or provide reinsurance payments to eligible carriers.

15 SECTION 6. This article shall take effect upon passage.

16 ARTICLE 15

17 RELATING TO CHILDREN AND FAMILIES

18 SECTION 1. Sections 16-8-10 and 16-8-10.1 of the General Laws in Chapter 16-8
19 entitled "Federal Aid [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" are
20 hereby amended to read as follows:

21 **16-8-10. Mandatory school lunch programs.**

22 [\(a\)](#) All public elementary and secondary schools shall be required to make type A lunches
23 available to students attending those schools in accordance with rules and regulations adopted
24 from time to time by the department of elementary and secondary education. To the extent that
25 federal, state, and other funds are available, free and reduced price type A lunches shall be
26 provided to all students from families that meet the current specific criteria established by federal
27 and state regulations. The requirement that type A lunches be provided shall apply to locally
28 managed school lunch programs, and school lunch programs administered directly by the
29 department of elementary and secondary education or by any other public agency whether using
30 school facilities or a commercial catering service. The department of elementary and secondary
31 education is further authorized to expand the school lunch program to the extent that federal,
32 state, and/or local funds are available by the utilization of one or more food preparation centers
33 for delivery to participating schools for the purpose of providing meals to students on a more
34 economical basis than could be provided by a community acting individually.

1 **(b) Beginning in the 2020-2021 school year, and each year thereafter, all public schools**
2 **that have been eligible for the community eligibility provision under section 104(a) of the federal**
3 **Healthy, Hunger-Free Kids Act of 2010 for two consecutive years or longer shall be required to**
4 **implement the provision. Any school subject to the requirement in the preceding sentence may**
5 **apply to the department of elementary and secondary education (“the department”) for a waiver**
6 **from the requirement. Such waiver may be granted by the department upon the demonstration**
7 **that adoption of the program would cause economic hardship for the school. All public schools**
8 **eligible for the community eligibility provision in any year are encouraged to participate even if**
9 **not required to do so under this paragraph. To facilitate implementation of this program, the**
10 **department shall:**

11 **(1) Notify schools on or before March 1 each year if they are required to adopt the**
12 **community eligibility provision for the school year that begins after September 1 of that year.**

13 **(2) Develop and distribute procedures and guidelines for the implementation of the**
14 **program.**

15 **16-8-10.1. Mandatory school breakfast programs.**

16 (a) All public schools shall make a breakfast program available to students attending the
17 school. The breakfast meal shall meet any rules and regulations that are adopted by the
18 commissioner.

19 (b) The state of Rhode Island shall provide school districts a per breakfast subsidy for
20 each breakfast served to students. The general assembly shall annually appropriate some sum and
21 distribute it based on each district's proportion of the number of breakfasts served in the prior
22 school year relative to the statewide total in the same year. This subsidy shall augment the
23 nonprofit school food service account and be used for expenses incurred in providing nutritious
24 breakfast meals to students.

25 **(c) Beginning in the 2020-2021 school year, and each year thereafter, all public schools**
26 **that have an enrollment of seventy percent (70%) or more of students eligible for free or reduced-**
27 **price meals in the prior school year according to the federal school meals program shall offer a**
28 **school breakfast program to each student in the school after the instructional day has officially**
29 **begun. The department of elementary and secondary education (“the department”) shall**
30 **determine eligible service models, which shall include, but are not limited to, breakfast in the**
31 **classroom, grab and go breakfast, and second chance breakfast. The breakfast shall be served at a**
32 **time to be determined by the school so long as it occurs after the beginning of the instructional**
33 **day. If a public school falls below the seventy percent threshold established in this section, it has**
34 **the option to continue offering the school breakfast program after the instructional day has**

1 officially begun but is not required to do so. Any school subject to the requirement in the first
2 sentence of this paragraph may apply to the department for a waiver from the requirement. Such
3 waiver may be granted upon the demonstration that providing a school breakfast program after
4 the instructional day has begun would cause financial hardship for the school. To facilitate
5 implementation of this program, the department shall:

6 (1) Notify schools on or before March 1 each year if they are required to implement a
7 school breakfast program after the instructional day has begun beginning that fall.

8 (2) Develop and distribute procedures and guidelines for the implementation of the
9 program, which must be in compliance with federal regulations governing the School Breakfast
10 Program.

11 (3) Annually collect information on eligible delivery models implemented at each school
12 and make the information publicly available.

13 SECTION 2. Section 16-64-1.1 of the General Laws in Chapter 16-64 entitled
14 "Residence of Children for School Purposes" is hereby amended to read as follows:

15 **16-64-1.1. Payment and reimbursement for educational costs of children placed in**
16 **foster care, group homes, or other residential facility by a Rhode Island state agency.**

17 (a) Children placed in foster care by a Rhode Island-licensed child-placing agency or a
18 Rhode Island governmental agency shall be entitled to the same free, appropriate public education
19 provided to all other residents of the city or town where the child is placed. The city or town shall
20 pay the cost of the education of the child during the time the child is in foster care in the city or
21 town.

22 (b) Children placed by the department of children, youth and families (DCYF) in a group
23 home or other residential facility that does not include the delivery of educational services are to
24 be educated by the community in which the group home or other residential facility is located,
25 and those children shall be entitled to the same free, appropriate public education provided to all
26 other residents of the city or town where the child is placed. For purposes of payment and
27 reimbursement for educational costs under this chapter, the term "group home or other residential
28 facility" shall not include independent-living programs. Each city and town that contains one or
29 more group homes or other residential facilities that do not include delivery of educational
30 services will receive funds as part of state aid to education in accordance with the following
31 provisions:

32 (1) On December 31 of each year, the DCYF shall provide the department of elementary
33 and secondary education with a precise count of how many group home or other residential
34 facility "beds" exist in each Rhode Island city or town, counting only those "beds" in facilities

1 that do not include the delivery of educational services. The number of "beds" in each group
2 home or other residential facility shall be equal to the maximum number of children who may be
3 placed in that group home or other residential facility on any given night according to the
4 applicable licensure standards of the DCYF.

5 (2) For the fiscal year beginning July 1, 2007, if the number of beds certified by DCYF
6 for a school district by December 31, 2007, is greater than the number certified March 14, 2007,
7 upon which the education aid for FY 2008 was appropriated, the education aid for that district
8 will be increased by the number of increased beds multiplied by fifteen thousand dollars
9 (\$15,000). Notwithstanding the provisions of this section or any law to the contrary, the education
10 aid for all group home or other residential facility "beds" located or associated with the Children's
11 Residential and Family Treatment (CRAFT) program located on the East Providence campus of
12 Bradley Hospital shall be twenty-two thousand dollars (\$22,000) per bed. The Department of
13 Elementary and Secondary Education shall include the additional aid in equal payments in March,
14 April, May, and June, and the Governor's budget recommendations pursuant to § 35-3-8 shall
15 include the amounts required to provide the increased aid.

16 For all fiscal years beginning after June 30, 2016, education aid for each school district
17 shall include seventeen thousand dollars (\$17,000) for each bed certified by DCYF by the
18 preceding December 31. Notwithstanding the provisions of this section or any law to the contrary,
19 the education aid for all group home or other residential facility "beds" located or associated with
20 the Children's Residential and Family Treatment (CRAFT) program located on the East
21 Providence campus of Bradley Hospital shall be twenty-six thousand dollars (\$26,000) per bed.
22 For all fiscal years beginning after June 30, 2008, whenever the number of beds certified by
23 DCYF for a school district by December 31 is greater than the number certified the prior
24 December 31 upon which the education aid for that fiscal year was appropriated, the education
25 aid for that district as enacted by the assembly during the prior legislative session for that fiscal
26 year will be increased by the number of increased beds multiplied by the amount per bed
27 authorized for that fiscal year. The Department of Elementary and Secondary Education shall
28 include the additional aid in equal payments in March, April, May, and June, and the Governor's
29 budget recommendations pursuant to § 35-3-8 shall include the amounts required to provide the
30 increased aid.

31 (c) Children placed by DCYF in a residential-treatment program, group home, or other
32 residential facility, [except for those listed in subsection \(d\) of this section](#), whether or not located
33 in the state of Rhode Island, which includes the delivery of educational services provided by that
34 facility (excluding facilities where students are taught on grounds for periods of time by teaching

1 staff provided by the school district in which the facility is located), shall have the cost of their
2 education paid for as provided for in ~~subsection (d) and~~ § 16-64-1.2. The city or town determined
3 to be responsible to DCYF for a per-pupil special-education cost pursuant to § 16-64-1.2 shall
4 pay its share of the cost of educational services to DCYF or to the facility providing educational
5 services.

6 (d) ~~Children placed by DCYF in group homes, child caring facilities, community~~
7 ~~residences, or other residential facilities shall have the entire cost of their education paid for by~~
8 ~~DCYF if:~~

9 ~~(1) The facility is operated by the state of Rhode Island or the facility has a contract with~~
10 ~~DCYF to fund a pre-determined number of placements or part of the facility's program;~~

11 ~~(2) The facility is state licensed; and~~

12 ~~(3) The facility operates an approved, on-grounds educational program, whether or not~~
13 ~~the child attends the on-grounds program.~~

14 For each child ordered by the family court to be detained or sentenced to the Thomas C.
15 Slater Training School, the city or town determined to be the child's residence under §16-64-1.2
16 shall be responsible for payment of a city's or town's per pupil special education cost to DCYF
17 for the delivery of education services during the youth's incarceration at the Training School.

18 SECTION 3. Section 16-64-1.1 of the General Laws in Chapter 16-64 entitled
19 "Residence of Children for School Purposes" is hereby amended to read as follows:

20 **16-64-1.3. Educational responsibility for children in group homes and other**
21 **residential placements.**

22 (a) The city or town in which a foster home, group home, or other residential facility that
23 does not include the delivery of educational services is located shall be responsible for the free
24 appropriate public education of any child residing in those placements, including all procedural
25 safeguards, evaluation, and instruction in accordance with regulations under chapter 24 of this
26 title, for any period during which a child is residing in the city or town. The city or town shall
27 coordinate its efforts with any other city or town to which a child moves when exiting the city or
28 town responsible under this subsection.

29 (b) The city or town responsible for payment under § 16-64-1.1(c) ~~and (d) for payment~~ of
30 a city's or town's per pupil special education cost to DCYF for a child placed in a residential
31 facility, group home, or other residential facility that includes the delivery of educational services
32 shall be responsible for the free, appropriate public education, including all procedural
33 safeguards, evaluation and instruction in accordance with regulations under chapter 24 of this
34 title.

SECTION 4. Sections 23-24.6-14 and 23-24.6-14.1 of the General Laws in Chapter 23-24.6 entitled "Lead Poisoning Prevention Act" is hereby amended to read as follows:

23-24.6-14. Inspection of child care facilities.

(a) The director shall promulgate regulations requiring that as a condition of licensure all ~~preschools, day care facilities, nursery schools,~~ group family child care homes, family child care homes, child care centers, residential facilities, and public and private elementary schools ~~and schoolyards, and public playgrounds, and shelters and foster homes~~ serving children under the age of six (6) years in Rhode Island:

(1) Receive comprehensive environmental lead inspections at specified intervals; and

(2) Demonstrate that they are either lead free or lead safe.

~~(b) The director, shall, using state inspectors, conduct comprehensive environmental lead inspections for all these facilities at the specified intervals.~~

23-24.6-14.1. Inspection of foster homes.

(a) The director shall promulgate regulations requiring that as a condition of licensure foster homes be subject to, at a minimum, a visual lead inspection to assess whether there are any potential lead hazards in the home. The department of health shall review the results of all lead inspections of foster homes and shall ensure that owners receive all information needed to remediate the lead hazards identified in the inspection.

SECTION 5. Sections 40-5.2-8, 40-5.2-10 and 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled "The Rhode Island Works Program" are hereby amended to read as follows:

40-5.2-8. Definitions.

(a) As used in this chapter, the following terms having the meanings set forth herein, unless the context in which such terms are used clearly indicates to the contrary:

(1) "Applicant" means a person who has filed a written application for assistance for herself/himself and her/his dependent child(ren). An applicant may be a parent or non parent caretaker relative.

(2) "Assistance" means cash and any other benefits provided pursuant to this chapter.

(3) "Assistance unit" means the assistance filing unit consisting of the group of persons, including the dependent child(ren), living together in a single household who must be included in the application for assistance and in the assistance payment if eligibility is established. An assistance unit may be the same as a family.

(4) "Benefits" ~~shall~~ means assistance received pursuant to this chapter.

(5) "Community service programs" means structured programs and activities in which ~~cash-assistance-recipients~~ RI Works participants perform work for the direct benefit of the

community under the auspices of public or nonprofit organizations. Community service programs are designed to improve the employability of recipients not otherwise able to obtain paid employment. (6) "Department" means the department of human services.

(7) "Dependent child" means an individual, other than an individual with respect to whom foster care maintenance payments are made, who is: (A) under the age of eighteen (18); or (B) under the age of nineteen (19) and a full-time student in a secondary school (or in the equivalent level of vocational or educational training), if before he or she attains age nineteen (19), he or she may reasonably be expected to complete the program of such secondary school (or such training).

(8) "Director" means the director of the department of human services.

(9) "Earned income" means income in cash or the equivalent received by a person through the receipt of wages, salary, commissions, or profit from activities in which the person is self-employed or as an employee and before any deductions for taxes.

(10) "Earned income tax credit" means the credit against federal personal income tax liability under § 32 of the Internal Revenue Code of 1986, 26 U.S.C. § 32, or any successor section, the advanced payment of the earned income tax credit to an employee under § 3507 of the code, 26 U.S.C. § 3507, or any successor section and any refund received as a result of the earned income tax credit, as well as any refundable state earned income tax credit.

(11) "Education directly related to employment" means education, in the case of a participant who has not received a high school diploma or a certificate of high school equivalency, related to a specific occupation, job, or job offer.

(12) "Family" means: (A) a pregnant woman from and including the seventh month of her pregnancy; or (B) a child and the following eligible persons living in the same household as the child: (C) each biological, adoptive or stepparent of the child, or in the absence of a parent, any adult relative who is responsible, in fact, for the care of such child; and (D) the child's minor siblings (whether of the whole or half blood); provided, however, that the term "family" shall not include any person receiving benefits under title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq. A family may be the same as the assistance unit.

(13) "Gross earnings" means earnings from employment and self-employment further described in the department of human services rules and regulations.

(14) "Individual employment plan" means a written, individualized plan for employment developed jointly by the applicant and the department of human services that specifies the steps the participant shall take toward long-term economic independence developed in accordance with subsection 40-5.2-10(e). ~~A participant must comply with the terms of the individual employment~~

~~plan as a condition of eligibility in accordance with subsection 40-5.2-10(e) of this chapter.~~

(15) "Job search and job readiness" means the mandatory act of seeking or obtaining employment by the participant, or the preparation to seek or obtain employment.

~~In accord with federal requirements, job search activities must be supervised by the department of labor and training and must be reported to the department of human services in accordance with TANF work verification requirements.~~

Except in the context of rehabilitation employment plans, and special services provided by the department of children, youth and families, job search and job readiness activities are limited to four (4) consecutive weeks, or for a total of six (6) weeks in a twelve (12) month period, with limited exceptions as defined by the department. The department of human services in consultation with the department of labor and training shall extend job search, and job readiness assistance for up to twelve (12) weeks in a fiscal year if a state has an unemployment rate at least fifty percent (50%) greater than the United States unemployment rate if the state meets the definition of a "needy state" under the contingency fund provisions of federal law.

~~Preparation to seek employment, or job readiness, may include, but may not be limited to, the participant obtaining life skills training, homelessness services, domestic violence services, special services for families provided by the department of children youth and families, substance abuse treatment, mental health treatment, or rehabilitation activities as appropriate for those who are otherwise employable. Such services, treatment or therapy must be determined to be necessary and certified by a qualified medical or mental health professional. Intensive work readiness services may include work-based literacy, numeracy, hands-on training, work experience and case management services. Nothing in this section shall be interpreted to mean that the department of labor and training shall be the sole provider of job readiness activities described herein.~~

(16) "Job skills training directly related to employment" means training or education for job skills required by an employer to provide an individual with the ability to obtain employment or to advance or adapt to the changing demands of the workplace. Job skills training directly related to employment must be supervised on an ongoing basis.

(17) "Net income" means the total gross income of the assistance unit less allowable disregards and deductions as described in subsection 40-5.2-10(g).

(18) "Minor parent" means a parent under the age of eighteen (18). A minor parent may, at the discretion of the department, ~~be an applicant or recipient with his or her dependent child(ren) in his/her own case or a member of an assistance unit with his or her dependent child(ren) in a case established by the minor parent's parent~~ apply as a separate assistance unit in

certain circumstances if he or she is otherwise unable to be included, along with his or her child,
as part of the assistance unit of a parent or caretaker relative in accordance with § 40-5.2-10(k).

(19) "On-the-job-training" means training in the public or private sector that is given to a paid employee ~~while he or she is~~ engaged in productive work ~~and~~ That provides knowledge and skills essential to the full and adequate performance of the job. ~~On the job training must be supervised by~~ under the supervision of an employer, work site sponsor, or other designee of the department of human services on an ongoing basis.

(20) "Participant" means a person who has been found eligible for assistance in accordance with this chapter ~~and who must comply with all requirements of this chapter, and has entered into an individual employment plan.~~ A participant may be a parent or non-parent caretaker relative included in the ~~cash assistance payment~~ assistance unit.

(21) "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" or "PRWORA," means the federal law enacted in 1996, as amended, that established TANF and sets forth the eligibility requirements governing access to federal means-tested benefits applicable to non-citizens residing in the United States.

(22) Recipient" means a "participant" ~~person who has been found~~ eligible ~~and receives cash assistance~~ for assistance through RI Works in accordance with this chapter.

~~(22)~~(23) "Relative" means a parent, stepparent, grandparent, great grandparent, great-great grandparent, aunt, great aunt, great-great aunt, uncle, great-uncle, great-great uncle, sister, brother, stepbrother, stepsister, half-brother, half-sister, first cousin, first cousin once removed, niece, great niece, great-great niece, nephew, great nephew, or great-great nephew.

~~(23)~~(24) "Resident" means a person who maintains residence by his or her continuous physical presence in the state.

(25) "RI Works lifetime limit" means the total number of months an adult applicant or beneficiary is eligible to receive cash assistance provided through RI Works and/or any other state or territorial program operating under the auspices of the TANF block grant. The RI Works lifetime limit is forty-eight (48) months and is calculated in accordance with §40-5.2-10(h). Children in a family or assistance unit are not subject to the RI Works life-time limit.

(26) "Self-employment income" means the total profit from a business enterprise, farming, etc., resulting from a comparison of the gross receipts with the business expenses, i.e., expenses directly related to producing the goods or services and without which the goods or services could not be produced. However, items such as depreciation, personal business and entertainment expenses, and personal transportation are not considered business expenses for the purposes of determining eligibility for cash assistance in accordance with this chapter.

1 ~~(25)~~ (27) "State" means the State of Rhode Island and Providence Plantations.

2 ~~(26)~~ (28) "Subsidized employment" means public or private employment ~~in the private or~~
3 ~~public sectors~~ for which the employer receives a government subsidy from TANF or ~~other public~~
4 ~~funds another public program~~ to offset some or all of the wages and costs of employing an
5 ~~recipient RI Works participant. It includes work in which all or a portion of the wages paid to the~~
6 ~~recipient are provided to~~ The subsidy is paid to the employer either as a reimbursement for the
7 extra costs of training or as an incentive to hire the recipient, including, but not limited to, grant
8 diversion

9 ~~(27)~~ (29) "Subsidized housing" means housing for a family whose rent is restricted to a
10 percentage of its income.

11 (30) "Supplemental Nutrition Assistance Program or "SNAP" means the federally funded
12 program, formerly known as Food Stamps, authorized under the "Food and Nutrition Act of
13 2008", 7 U.S.C. § 2011 et. seq., and administered by the State, that provides food-purchasing
14 assistance to low and no-income individuals and families who meet certain eligibility
15 requirements.

16 (31) Temporary Assistance of Needy Families or "TANF" is the federal block grant
17 program [Title IV-A of the U.S. Social Security Act 42 U.S.C. § 601 et seq.] authorized by the
18 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. States
19 receive TANF block grant funds to operate their own cash assistance programs for low-income
20 families within the parameters established in federal law and regulations. RI Works is Rhode
21 Island's TANF program.

22 ~~(28)~~ (32) "Unsubsidized employment" means full or part-time employment in the public
23 or private sector that is not subsidized by TANF or any other public program.

24 ~~(29)~~ (33) "Vocational educational training" means organized educational programs, not to
25 exceed twelve (12) months with respect to any participant, that are directly related to the
26 preparation of participants for employment in current or emerging occupations. Vocational
27 educational training must be supervised.

28 ~~(30)~~ (34) "Work experience" means a work activity that provides a participant with an
29 opportunity to acquire the general skills, training, knowledge, and work habits necessary to obtain
30 employment. The purpose of work experience is to improve the employability of those who
31 cannot find unsubsidized employment. An employer, work site sponsor, and/or other appropriate
32 designee of the department must supervise this activity.

33 ~~(31)~~ (35) "Work supplementation" also known as "grant diversion" means the use of all
34 or a portion of a participant's cash assistance grant and ~~food-stamp grant~~ SNAP as a wage

1 supplement to an employer. Such a supplement shall be limited to a maximum period of twelve
2 (12) months. An employer must agree to continue the employment of the participant as part of the
3 regular work force, beyond the supplement period, if the participant demonstrates satisfactory
4 performance.

5 ~~(32)~~ (36) "Work activities" mean the specific work requirements which must be defined in
6 the individual employment plan and must be complied with by the participant as a condition of
7 eligibility for the receipt of cash assistance for single and two (2) family households outlined in §
8 40-5.2-12 of this chapter.

9 **40-5.2-10. Necessary requirements and conditions.**

10 An applicant for RI Works must meet ~~The the~~ following requirements and conditions
11 ~~shall be necessary to establish~~ to be eligible for the RI Works ~~eligibility for the~~ program.

12 (a) Citizenship, alienage and residency requirements.

13 (1) A person shall be a resident of the State of Rhode Island.

14 (2) Effective ~~[July 1, 2019, October 1, 2008]~~, a person seeking eligibility for assistance
15 under this section ~~to must be a~~ United States citizens, ~~or shall~~ or a qualified non-citizen who
16 meets the applicable requirements established in § 402(b) ~~of the Personal Responsibility and~~
17 ~~Work Opportunity Reconciliation Act of 1996, PRWORA, Public Laws No. 104-193 and as that~~
18 ~~section may be hereafter be amended from time to time, [8 U.S.C. § 1612]~~ pertaining to non-
19 citizen and alien eligibility for federal benefits provided through the TANF program; ~~a person~~
20 ~~who is not a United States citizen and does not meet the alienage requirements established in~~
21 ~~PRWORA, as amended, is not eligible for cash assistance in accordance with this chapter.~~

22 (b) The family/assistance unit must meet any other requirements established by the
23 department of human services by rules and regulations adopted pursuant to the Administrative
24 Procedures Act, ~~as~~ necessary to promote the purpose and goals of this chapter.

25 (c) Receipt of cash assistance is conditional upon compliance with all program
26 requirements.

27 (d) All individuals domiciled in this state shall be exempt from the application of
28 subdivision 115(d)(1)(A) of ~~Public Law 104-193, the Personal Responsibility and Work~~
29 ~~Opportunity Reconciliation Act of 1996, PRWORA [21 U.S.C. § 862a]~~, which makes any
30 individual ineligible for certain state and federal assistance if that individual has been convicted
31 under federal or state law of any offense which is classified as a felony by the law of the
32 jurisdiction and which has as an element the possession, use, or distribution of a controlled
33 substance as defined in § 102(6) of the Controlled Substances Act (21 U.S.C. § 802(6)).

34 (e) Individual employment plan as a condition of eligibility.

1 (1) Following receipt of an application, the department of human services shall assess the
2 financial conditions of the family, including the non-parent caretaker relative who is applying for
3 cash assistance for himself or herself as well as for the minor child(ren), in the context of an
4 eligibility determination. If a parent or non parent caretaker relative is unemployed or under-
5 employed, the department shall conduct an initial assessment, taking into account: (A) the
6 physical capacity, skills, education, work experience, health, safety, family responsibilities and
7 place of residence of the individual; ~~and~~ (B) the child care and supportive services required by the
8 applicant to avail himself or herself of employment opportunities and/or work readiness
9 programs; and (C) preparation to seek employment, or job readiness, including but not limited to,
10 the need for obtaining life skills training, homelessness services, domestic violence services,
11 special services for families provided by the department of children youth and families, substance
12 abuse treatment, mental health treatment, or rehabilitation activities as appropriate for those who
13 are otherwise employable. Such services, treatment or therapy must be determined to be
14 necessary and certified by a qualified medical or mental health professional. Intensive work
15 readiness services may include work-based literacy, numeracy, hands-on training, work
16 experience and case management services.

17 (2) On the basis of such assessment, the department of human services and the
18 department of labor and training, as appropriate, in consultation with the applicant, shall develop
19 an individual employment plan for the family which requires the individual to participate in the
20 intensive employment services. Intensive employment services shall be defined as the work
21 requirement activities in subsections 40-5.2-12(g) and (i).

22 (3) The director, or his/her designee, may assign a case manager to an
23 applicant/participant, as appropriate.

24 (4) The department of labor and training and the department of human services in
25 conjunction with the participant shall develop a revised individual employment plan which shall
26 identify employment objectives, taking into consideration factors above, and shall include a
27 strategy for immediate employment and for preparing for, finding, and retaining employment
28 consistent, to the extent practicable, with the individual's career objectives. ~~Preparation to seek~~
29 ~~employment, or job readiness, may include, but may not be limited to, the participant obtaining~~
30 ~~life skills training, homelessness services, domestic violence services, special services for~~
31 ~~families provided by the department of children youth and families, substance abuse treatment,~~
32 ~~mental health treatment, or rehabilitation activities as appropriate for those who are otherwise~~
33 ~~employable. Such services, treatment or therapy must be determined to be necessary and certified~~
34 ~~by a qualified medical or mental health professional. Intensive work readiness services may~~

~~include work-based literacy, numeracy, hands-on training, work experience and case management services. Nothing in this section shall be interpreted to mean that the department of labor and training shall be the sole provider of job readiness activities described herein~~

(5) The individual employment plan must include the provision for the participant to engage in work requirements as outlined in § 40-5.2-12 of this chapter.

(6)(A) The participant shall attend and participate immediately in intensive assessment and employment services as the first step in the individual employment plan, unless temporarily exempt from this requirement in accordance with this chapter. Intensive assessment and employment services shall be defined as the work requirement activities in subsections 40-5.2-12(g) and (i).

(B) Parents under age twenty (20) without a high school diploma or General Equivalency Diploma (GED) shall be referred to special teen parent programs which will provide intensive services designed to assist teen parent to complete high school education or GED, and to continue approved work plan activities in accord with Works program requirements.

~~(7) The applicant shall become a participant in accordance with this chapter at the time the individual employment plan is signed and entered into.~~ An applicant is not considered an RI Works participant until the individual employment plan is completed and signed. Such a signature indicates that the applicant agrees

~~(8) Applicants and participants of the Rhode Island Work Program shall agree~~ to comply with the terms of the individual employment plan and shall cooperate fully with the steps established in the individual employment plan, including the work requirements. (8) Applicants and participants of the Rhode Island Work Program shall agree to comply with the terms of the individual employment plan, and shall cooperate fully with the steps established in the individual employment plan, including the work requirements.

~~(9) (8) The department of human services has the authority under the chapter to~~ requires, as a condition of eligibility, that attendance by the applicant/participant, either at the department of human services or at the department of labor and training, applicants and participants attend appointments deemed necessary for the purpose of ~~having the applicant enter into and become eligible for~~ obtaining or retaining assistance through the ~~Rhode Island RI Works P~~ program. Said appointments include, but are not limited to, the initial interview, orientation and assessment; job readiness and job search. Attendance is required as a condition of eligibility for cash assistance in accordance with rules and regulations established by the department.

~~(10) As a condition of eligibility for assistance pursuant to this chapter, the applicant/participant shall be obligated to keep appointments, attend orientation meetings at the department of human services and/or the Rhode Island department of labor and training,~~

~~participate in any initial assessments or appraisals and comply with all the terms of the individual employment plan in accordance with department of human service rules and regulations.~~

~~(11)~~ (10) A participant, including a parent or non-parent caretaker relative included in the cash assistance payment, shall not voluntarily quit a job or refuse a job unless there is good cause as defined in this chapter or the department's rules and regulations.

(12) A participant who voluntarily quits or refuses a job without good cause, as defined in subsection 40-5.2-12(1), while receiving cash assistance ~~in accordance with this chapter,~~ shall be sanctioned in accordance with rules and regulations promulgated by the department.

(f) Resources.

(1) The combined value of the family or assistance unit's available countable resources, ~~shall be less than the allowable resource limit established by the department in accordance with this chapter.~~

~~(2) No family or assistance unit shall be eligible for assistance payments if the combined value of its available resources~~ once reduced by any obligations or debts, ~~shall not with respect to such resources)~~ must not exceed one thousand dollars (\$1,000).

~~(3)~~ (2) For purposes of this subsection, the following shall not be counted as resources of the family/assistance unit in the determination of eligibility for the ~~works~~ RI Works program:

(A) The home owned and occupied by a child, parent, relative or other individual;

(B) Real property owned by a husband and wife as tenants by the entirety, if the property is not the home of the family and if the spouse of the applicant refuses to sell his or her interest in the property;

(C) Real property other than any as identified in § 40-5.2-10(f)(2)(A) and (B) of which the family is making a good faith effort through a sale or other means to dispose ~~of, however, any cash assistance payable to the family for any such period shall be conditioned upon such disposal of the real property within~~ for the period of up to six (6) months ~~s of~~ from the date of application. ~~and any Eligibility during this period is contingent upon the disposal of the property. Any payments of assistance for that period shall (at the time of disposal) be considered overpayments~~ once the family no longer owns the real property unless ~~to the extent that they would not have occurred at the beginning of the period for which the payments were made~~ the family would have been eligible for assistance at the start of the payment period even if the property had not been disposed. All overpayments are debts subject to recovery in accordance with the provisions of the chapter;

(D) Income producing property other than real estate including, but not limited to, equipment such as farm tools, carpenter's tools and vehicles used in the production of goods or

1 services which the department determines are necessary for the family to earn a living;

2 (E) One vehicle for each adult household member, but not to exceed two (2) vehicles per
3 household, and in addition, a vehicle used primarily for income producing purposes such as, but
4 not limited to, a taxi, truck or fishing boat; a vehicle used as a family's home; a vehicle which
5 annually produces income consistent with its fair market value, even if only used on a seasonal
6 basis; a vehicle necessary to transport a family member with a disability where the vehicle is
7 specially equipped to meet the specific needs of the person with a disability or if the vehicle is a
8 special type of vehicle that makes it possible to transport the person with a disability;

9 (F) Household furnishings and appliances, clothing, personal effects and keepsakes of
10 limited value;

11 (G) Burial plots (one for each child, relative, and other individual in the assistance unit),
12 and funeral arrangements;

13 (H) For the month of receipt and the following month, any refund of federal income taxes
14 made to the family by reason of § 32 of the Internal Revenue Code of 1986, 26 U.S.C. § 32
15 (relating to earned income tax credit), and any payment made to the family by an employer under
16 § 3507 of the Internal Revenue Code of 1986, 26 U.S.C. § 3507 (relating to advance payment of
17 such earned income credit);

18 (I) The resources of any family member receiving supplementary security income ([SSI](#))
19 assistance under [Title XVI](#) of the Social Security Act, 42 U.S.C. § 1381.

20 (g) Income.

21 (1) Except as otherwise provided for herein, ~~in determining eligibility for and the amount~~
22 ~~of cash assistance to which a family is entitled under this chapter,~~ the income of a family includes
23 all of the money, goods, and services received or actually available to any member of the family.

24 (2) In determining the eligibility for and the amount of cash assistance to which a
25 family/assistance unit is entitled under this chapter, income in any month shall not include the
26 first one hundred seventy dollars (\$170) of gross earnings plus fifty percent (50%) of the gross
27 earnings of the family in excess of one hundred seventy dollars (\$170) earned during the month.

28 (3) The income of a family shall not include:

29 (A) The first fifty dollars (\$50.00) in child support received in any month from each non-
30 custodial parent of a child plus any arrearages in child support (to the extent of the first fifty
31 dollars (\$50.00) per month multiplied by the number of months in which the support has been in
32 arrears) which are paid in any month by a non-custodial parent of a child;

33 (B) Earned income of any child;

34 (C) ~~Income~~ [SSI](#) received by a family member ~~who is receiving supplemental security~~

1 ~~income (SSI) assistance under Title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq;~~

2 (D) The value of assistance provided by state or federal government or private agencies
3 to meet nutritional needs, including the value of: USDA donated foods; ~~value of~~ supplemental
4 food assistance received under the Child Nutrition Act of 1966, as amended and the special food
5 service program for children under Title VII; ~~;~~ nutrition program for the elderly, of the Older
6 Americans Act of 1965 as amended, and ~~the value of food stamps~~ SNAP benefits;

7 (E) Value of certain assistance provided to undergraduate students, including any grant or
8 loan for an undergraduate student for educational purposes made or insured under any loan
9 program administered by the U.S. ~~Commissioner~~ Department of Education (or the Rhode Island
10 council on postsecondary education or the Rhode Island division of higher education assistance);
11 and the value of any withdrawals from a 529 or similar educational savings account recognized
12 by federal and state law when the withdrawals are used for qualified education expenses of a
13 family member;

14 (F) Foster Care Payments;

15 (G) Home energy assistance funded by state or federal government or by a nonprofit
16 organization;

17 (H) Payments for supportive services or reimbursement of out-of-pocket expenses made
18 to foster grandparents, senior health aides or senior companions and to persons serving in SCORE
19 and ACE and any other program under Title II and Title III of the Domestic Volunteer Service
20 Act of 1973, 42 U.S.C. § 5000 et seq.;

21 (I) Payments to volunteers under AmeriCorps VISTA as defined in the department's rules
22 and regulations;

23 (J) Certain payments to native Americans; payments distributed per capita to, or held in
24 trust for, members of any Indian Tribe under P.L. 92-254, 25 U.S.C. § 1261 et seq., P.L. 93-134,
25 25 U.S.C. § 1401 et seq., or P.L. 94-540; receipts distributed to members of certain Indian tribes
26 which are referred to in § 5 of P.L. 94-114, 25 U.S.C. § 459d, that became effective October 17,
27 1975;

28 (K) Refund from the federal and state earned income tax credit;

29 (L) The value of any state, local, or federal government rent or housing subsidy, provided
30 that this exclusion shall not limit the reduction in benefits provided for in the payment standard
31 section of this chapter.

32 (4) The receipt of a lump sum of income shall affect participants for cash assistance in
33 accordance with rules and regulations promulgated by the department.

34 (h) Time limit on the receipt of cash assistance.

1 (1) On and after January 1, 2020, the RI Works lifetime limit for adults is forty-eight (48)
2 months. No cash assistance shall be provided, pursuant to this chapter, to a family or assistance
3 unit which includes an adult member who has received cash assistance in excess of this time limit
4 without regard to whether cash assistance was received by the adult member,~~either for~~
5 ~~him/herself or on behalf of his/her children, for a total of twenty four (24) months, (whether or~~
6 ~~not consecutive) within any sixty (60) continuous months after July 1, 2008 to include any time~~
7 ~~receiving any type of cash assistance~~ in this State or any other state or territory of the United
8 States of America ~~as defined herein. Provided further, in no circumstances other than provided for~~
9 ~~in section (3) below with respect to certain minor children, shall cash assistance be provided~~
10 ~~pursuant to this chapter to a family or assistance unit which includes an adult member who has~~
11 ~~received cash assistance for a total of a lifetime limit of forty eight (48) months.~~

12 (2) ~~Cash benefits~~ RI Works cash assistance received by a minor dependent child shall not
13 be counted toward ~~their~~ his or her lifetime time limit for receiving benefits under ~~this chapter~~
14 ~~should that minor child apply~~ this chapter or a successor TANF-cash assistance program
15 administered by the State when applying for eligibility ~~for cash benefits~~ as an adult. (3) ~~Certain~~
16 ~~minor children not subject to time limit. This section regarding the lifetime time limit for the~~
17 ~~receipt of cash assistance, shall not apply only in the instances of a minor child(ren) living with a~~
18 ~~parent who receives SSI benefits and a minor child(ren) living with a responsible adult non-parent~~
19 ~~caretaker relative who is not in the case assistance payment. The lifetime time limit under this~~
20 section does not apply to minor dependent children who are living with either a parent who is
21 receiving SSI or a responsible adult non-parent caretaker relative who is not receiving RI Works
22 cash assistance.

23 (4) ~~Receipt of family cash assistance in any other state or territory of the United States of~~
24 ~~America shall be determined by the~~ The department of human services ~~and~~ shall determine
25 whether any months of receiving ~~include~~ family cash assistance funded in whole or in part by
26 ~~Temporary Assistance for Needy Families (TANF) funds [Title IV A of the Federal Social~~
27 ~~Security Act 42 U.S.C. § 601 et seq.] TANF and/or family cash assistance provided under a~~
28 program similar to the ~~Rhode Island Families Work and Opportunity Program or the federal~~
29 ~~TANF program~~ RI Works program administered in another state or territory shall count toward
30 the lifetime time limit of an adult applying for or receiving cash assistance under this chapter.

31 (5)(A) The department of human service shall mail a notice to each assistance unit ~~when~~
32 ~~the assistance unit has~~ every month beginning when there are six (6) months of cash assistance
33 remaining in the lifetime time limit. ~~and each month thereafter until the time limit has expired.~~
34 The notice must ~~be developed by the department of human services and must~~ contain information

1 about the lifetime time limit- , the number of months the participant has remaining, the hardship
2 extension policy, the availability of a post-employment-and-closure bonus, and any other
3 information pertinent to a family or an assistance unit nearing ~~either the twenty-four (24) month~~
4 ~~or the end of the~~ forty-eight (48) month lifetime time limit.

5 (B) For applicants who have less than six (6) months remaining in ~~either the twenty-four~~
6 ~~(24) month or the~~ forty-eight (48) month lifetime time limit because the family or assistance unit
7 previously received cash assistance in Rhode Island or in another state, the department shall
8 notify the applicant of the number of months remaining when the application is approved and
9 begin the notice process required in paragraph (A) above.

10 (6) ~~If a cash assistance recipient family closed pursuant to Rhode Island's Temporary~~
11 ~~Assistance for Needy Families Program, (federal TANF described in Title IV A of the Federal~~
12 ~~Social Security Act, 42 U.S.C. § 601 et seq.) formerly entitled the Rhode Island Family~~
13 ~~Independence Program, more specifically under subdivision 40-5.1-9(2)(c), due to sanction~~
14 ~~because of failure to comply with the cash assistance program requirements; and that recipients~~
15 ~~family received forty-eight (48) months of cash benefits in accordance with the Family~~
16 ~~Independence Program, than that recipient family is not able to receive further cash assistance for~~
17 ~~his/her family, under this chapter, except under hardship exceptions.~~

18 (7) ~~The months of state~~ All months of State or federally funded cash assistance received
19 ~~by a recipient family~~ since May 1, 1997 ~~under Rhode Island's Temporary Assistance for Needy~~
20 ~~Families Program, (federal TANF described in Title IV A of the Federal Social Security Act, 42~~
21 ~~U.S.C. § 601 et seq.) formerly entitled the Rhode Island Family Independence Program, through~~
22 RI Works and any of its predecessors, such as the Rhode Island Family Independence Program,
23 shall be countable toward the time limited cash assistance ~~described in this chapter~~ unless exempt
24 due to hardship exceptions.

25 (i) Time limit on the receipt of cash assistance.

26 (1)(A) No cash assistance shall be provided, pursuant to this chapter, to a family
27 assistance unit in which an adult member has received cash assistance for a total of ~~sixty (60)~~
28 ~~months~~ forty-eight (48) months (whether or not consecutive) to include any time receiving any
29 type of cash assistance in any other state or territory of the United States since ~~as defined herein~~
30 ~~effective August 1, 2008~~ May 1, 1997. ~~Provided further, that no cash assistance shall be provided~~
31 ~~to a family in which an adult member has received assistance for twenty-four (24) consecutive~~
32 ~~months unless the adult member has a rehabilitation employment plan as provided in subsection~~
33 ~~40-5.2-12(g)(5).~~

34 (B) ~~Effective August 1, 2008~~ Furthermore, no cash assistance shall be provided pursuant

1 to this chapter to a family in which a child has received cash assistance for a total of ~~sixty (60)~~
2 ~~months~~ forty-eight (48) months (whether or not consecutive) if the parent is a non-citizen
3 ineligible for assistance under this chapter pursuant to ~~subdivision~~ §40-5.2-10 (a) (2) to include
4 any time for which the parent receives~~d~~ any type of cash assistance in any other state or territory
5 of the United States as defined herein.

6 (j) Hardship Exceptions.

7 (1) The department may extend an assistance unit's or family's cash assistance beyond the
8 lifetime time limit, by reason of hardship; ~~provided, however, that the~~ The number of ~~such~~
9 families ~~to be exempted by the department with respect to their time limit under this subsection~~
10 granted hardship exemptions under this subsection shall not exceed twenty percent (20%) of the
11 average monthly number of families ~~to which assistance is provided for~~ receiving cash assistance
12 under this chapter in a fiscal year; ~~provided, however, that to the extent now or hereafter~~
13 ~~permitted by federal law, excluding any families any waiver~~ granted a waiver from the time limits
14 established under herein under the authority of § 40-5.2-35, for domestic violence reason; ~~shall~~
15 ~~not be counted in determining the twenty percent (20%) maximum under this section.~~

16 (2) Parents who receive extensions to the time limit due to hardship must have and
17 comply with employment plans designed to remove or ameliorate the conditions that warranted
18 the extension.

19 (k) Parents under eighteen (18) years of age.

20 (1) A family consisting of a parent who is under the age of eighteen (18), and who has
21 never been married, and who has a child; or a family which consists of a woman under the age of
22 eighteen (18) who is at least six (6) months pregnant, shall be eligible for cash assistance only if
23 such family resides in the home of an adult parent, legal guardian or other adult relative. Such
24 assistance shall be provided to the adult parent, legal guardian, or other adult relative on behalf of
25 the individual and child unless otherwise authorized by the department.

26 (2) This subsection shall not apply if the minor parent or pregnant minor has no parent,
27 legal guardian or other adult relative who is living and/or ~~whose~~ if the whereabouts of such an
28 adult are is unknown; or the department determines that the physical or emotional health or safety
29 of the minor parent, or his or her child, or the pregnant minor, would be jeopardized if he or she
30 was required to live in the same residence as his or her parent, legal guardian or other adult
31 relative (refusal of a parent, legal guardian or other adult relative to allow the minor parent or his
32 or her child, or a pregnant minor, to live in his or her home shall constitute a presumption that the
33 health or safety would be so jeopardized); or the minor parent or pregnant minor has lived apart
34 from his or her own parent or legal guardian for a period of at least one year before either the

1 birth of any child to a minor parent or the onset of the pregnant minor's pregnancy; or there is
2 good cause, under departmental regulations, for waiving the subsection; and the individual resides
3 in supervised supportive living arrangement to the extent available.

4 (3) For purposes of this section "supervised supportive living arrangement" means an
5 arrangement which requires minor parents to enroll and make satisfactory progress in a program
6 leading to a high school diploma or a general education development certificate, and requires
7 minor parents to participate in the adolescent parenting program designated by the department, to
8 the extent the program is available; and provides rules and regulations which ensure regular adult
9 supervision.

10 (1) Assignment and Cooperation. As a condition of eligibility for cash ~~and medical~~
11 assistance under this chapter, each adult member, parent or caretaker relative of the
12 family/assistance unit must:

13 (1) Assign to the state any rights to support for children within the family from any
14 person which the family member has at the time the assignment is executed or may have while
15 receiving assistance under this chapter;

16 (2) Consent to and cooperate with the state in establishing the paternity and in
17 establishing and/or enforcing child support and medical support orders for all children in the
18 family or assistance unit in accordance with Title 15 of the general laws, as amended, unless the
19 parent or caretaker relative is found to have good cause for refusing to comply with the
20 requirements of this subsection.

21 (3) Absent good cause, as defined by the department of human services through the rule
22 making process, for refusing to comply with the requirements of (1) and (2) above, cash
23 assistance to the family shall be reduced by twenty-five percent (25%) until the adult member of
24 the family who has refused to comply with the requirements of this subsection consents to and
25 cooperates with the state in accordance with the requirements of this subsection.

26 (4) As a condition of eligibility for cash ~~and medical~~ assistance under this chapter, each
27 adult member, parent or caretaker relative of the family/assistance unit must consent to and
28 cooperate with the state in identifying and providing information to assist the state in pursuing
29 any third-party who may be liable to pay for care and services under Title XIX of the Social
30 Security Act, 42 U.S.C. § 1396 et seq.

31 **40-5.2-20. Child-care assistance.**

32 Families or assistance units eligible for child-care assistance.

33 (a) The department shall provide appropriate child care ~~to~~ for every ~~participant~~ child who
34 is eligible for cash assistance ~~and who requires child care in order~~ to assure the parents, relative

1 caretakers, or other legally responsible adults whom they are living with are able to either obtain
2 or maintain employment or, if participating in RI Works, meet the work requirements of their
3 individual employment plans in accordance with this chapter

4 (b) Low-income child care. The department shall provide child care to all other working
5 families with incomes at or below one hundred eighty percent (180%) of the federal poverty level
6 if, and to the extent, such other families require child care in order to work at paid employment as
7 defined in the department's rules and regulations. Beginning ~~October 1, 2013~~ July 1, 2019, 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 pursue an educational degree or vocational, technical, or professional certification directly
11 related to employment in an appropriately accredited post-secondary educational institution
12 either on a full-time basis, or in combination with employment activities approved by the
13 department, or participate on a short-term basis, as defined in the department's rules and
14 regulations, in training, apprenticeship, internship, on-the-job training, work experience, work
15 immersion, or other job-readiness/job-attachment program sponsored or funded by the human
16 resource investment council (governor's workforce board), or state agencies that are part of the
17 coordinated program system pursuant to § 42-102-11-~~→~~ .

18 (c) No family/assistance unit shall be eligible for child-care assistance under this chapter
19 if the combined value of its liquid resources exceeds ~~ten thousand dollars (\$10,000)~~ one million
20 dollars (\$1,000,000), which corresponds to the amount permitted by the federal government
21 under the state plan and set forth in the administrative rule-making process by the department.

22 Liquid resources are defined as any interest(s) in property in the form of cash or other financial
23 instruments or accounts that are readily convertible to cash or cash equivalents. These include,
24 but are not limited to: cash, bank, credit union, or other financial institution savings, checking,
25 and money market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual
26 funds; and other similar financial instruments or accounts. These do not include educational
27 savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held
28 jointly with another adult, not including a spouse. The department is authorized to promulgate
29 rules and regulations to determine the ownership and source of the funds in the joint account.

30 (d) As a condition of eligibility for child-care assistance under this chapter, the parent or
31 caretaker relative of the family must consent to, and must cooperate with, the department in
32 establishing paternity, and in establishing and/or enforcing child support and medical support
33 orders for ~~all~~ any children in the family receiving appropriate child care under this section ~~in the~~
34 ~~family~~ in accordance with the applicable sections of Title 15 of the State's general laws, as

1 amended, unless the parent or caretaker relative is found to have good cause for refusing to
2 comply with the requirements of this subsection.

3 (e) For purposes of this section, "appropriate child care" means child care, including
4 infant, toddler, pre-school, nursery school, school-age, that is provided by a person or
5 organization qualified, approved, and authorized to provide such care by ~~the department of~~
6 ~~children, youth and families, or by the department of elementary and secondary education, or~~
7 ~~such other lawful providers as determined by the department of human services, in cooperation~~
8 ~~with the department of children, youth and families and the department of elementary and~~
9 ~~secondary education~~ the State agency or agencies designated to make such determinations in
10 accordance with the provisions set forth herein.

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

16 (2) Families who are receiving child-care assistance and who become ineligible for child-
17 care assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the
18 applicable federal poverty guidelines shall continue to be eligible for child-care assistance until
19 their incomes exceed two hundred twenty-five percent (225%) of the applicable federal poverty
20 guidelines. To be eligible, such families must continue to pay for some portion of the child care
21 they receive, as indicated in a sliding-fee scale adopted in the department's rules and in
22 accordance with all other eligibility standards.

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

26 (h) For purposes of this section, "income" for families receiving cash assistance under §
27 40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
28 §§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned
29 and unearned income as determined by departmental regulations.

30 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
31 the expenditures for child care in accordance with the provisions of § 35-17-1.

32 (j) In determining eligibility for child-care assistance for children of members of reserve
33 components called to active duty during a time of conflict, the department shall freeze the family
34 composition and the family income of the reserve component member as it was in the month prior

1 to the month of leaving for active duty. This shall continue until the individual is officially
2 discharged from active duty.

3 SECTION 6. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
4 Care - State Subsidies" is hereby amended to read as follows:

5 **40-6.2-1.1. Rates established.**

6 (a) Through June 30, 2015, subject to the payment limitations in subsection (c), the
7 maximum reimbursement rates to be paid by the departments of human services and children,
8 youth and families for licensed childcare centers and licensed family-childcare providers shall be
9 based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted
10 for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

11	LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY
12		MARKET RATE
13	INFANT	\$182.00
14	PRESCHOOL	\$150.00
15	SCHOOL-AGE	\$135.00
16	LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY
17	PROVIDERS	MARKET RATE
18	INFANT	\$150.00
19	PRESCHOOL	\$150.00
20	SCHOOL-AGE	\$135.00

21 Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum
22 reimbursement rates to be paid by the departments of human services and children, youth and
23 families for licensed childcare centers and licensed family-childcare providers shall be based on
24 the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
25 average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be
26 increased by ten dollars (\$10.00) per week for infant/toddler care provided by licensed family-
27 childcare providers and license-exempt providers and then the rates for all providers for all age
28 groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018,
29 licensed childcare centers shall be reimbursed a maximum weekly rate of one hundred ninety-
30 three dollars and sixty-four cents (\$193.64) for infant/toddler care and one hundred sixty-one
31 dollars and seventy-one cents (\$161.71) for preschool-age children.

32 (b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the
33 maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of
34 human services and children, youth and families for licensed childcare centers shall be

implemented in a tiered manner, reflective of the quality rating the provider has achieved within the state's quality rating system outlined in § 42-12-23.1.

(1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018 weekly amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018 weekly amount.

(2) For preschool reimbursement rates, tier one shall be reimbursed two and one-half (2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY 2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018 weekly amount, and tier five shall be reimbursed twenty-one percent (21%) above the FY 2018 weekly amount.

~~(e) The departments shall pay childcare providers based on the lesser of the applicable rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its public or private childcare customers with respect to each of the rate categories, infant, preschool and school age.~~

~~(d)~~ By June 30, 2004, and biennially through June 30, 2014, the department of labor and training shall conduct an independent survey or certify an independent survey of the then current weekly market rates for childcare in Rhode Island and shall forward such weekly market rate survey to the department of human services. The next survey shall be conducted by June 30, 2016, and triennially thereafter. The departments of human services and labor and training will jointly determine the survey criteria including, but not limited to, rate categories and sub-categories.

~~(d)~~ In order to expand the accessibility and availability of quality childcare, the department of human services is authorized to establish by regulation alternative or incentive rates of reimbursement for quality enhancements, innovative or specialized childcare and alternative methodologies of childcare delivery, including non-traditional delivery systems and collaborations.

~~(e)~~ Effective January 1, 2007, ~~all childcare providers~~ licensed childcare centers and licensed family-childcare have the option to be paid every two (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of reimbursement payments.

(f) Effective July 1, 2019, the maximum infant/toddler and preschool-age reimbursement

1 [rates to be paid by the departments of human services and children, youth and families for](#)
2 [licensed family childcare providers shall be implemented in a tiered manner, reflective of the](#)
3 [quality rating the provider has achieved within the state's quality rating system outlined in § 42-](#)
4 [12-23.1. Tier one shall be reimbursed two \(2\) percent above the state fiscal year 2018 weekly](#)
5 [amount, tier two shall be reimbursed five \(5\) percent above the state fiscal year 2018 weekly](#)
6 [amount, tier three shall be reimbursed eleven \(11\) percent above the state fiscal year 2018 weekly](#)
7 [amount, tier four shall be reimbursed fourteen \(14\) percent above the state fiscal year 2018](#)
8 [weekly amount, and tier five shall be reimbursed twenty-three \(23\) percent above the state fiscal](#)
9 [year 2018 weekly amount.](#)

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

11 **ARTICLE 16**

12 **RELATING TO MEDICAL ASSISTANCE**

13 SECTION 1. Sections 40-6-27 and 40-6-27.2 of the General Laws in Chapter 40-6
14 entitled "Public Assistance Act" are hereby amended to read as follows:

15 **40-6-27. Supplemental security income.**

16 (a)(1) The director of the department is hereby authorized to enter into agreements on
17 behalf of the state with the secretary of the Department of Health and Human Services or other
18 appropriate federal officials, under the supplementary and security income (SSI) program
19 established by title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq., concerning the
20 administration and determination of eligibility for SSI benefits for residents of this state, except
21 as otherwise provided in this section. The state's monthly share of supplementary assistance to the
22 supplementary security income program shall be as follows:

23	(i) Individual living alone:	\$39.92
24	(ii) Individual living with others:	\$51.92
25	(iii) Couple living alone:	\$79.38
26	(iv) Couple living with others:	\$97.30
27	(v) Individual living in state licensed assisted living residence:	\$332.00
28	(vi) Individual eligible to receive Medicaid-funded long-term services and supports and	
29	living in a Medicaid certified state licensed assisted living residence or adult supportive care	
30	residence, as defined in § 23-17.24-1, participating in the program authorized under § 40-8.13-12	
31	or an alternative, successor, or substitute program or delivery option designated for such purposes	
32	by the Secretary of the Executive Office of Health and Human Services:	

33 (a) with countable income above one hundred and twenty (120) percent of poverty: up to
34 \$465.00;

(b) with countable income at or below one hundred and twenty (120) percent of poverty:
up to the total amount established in (v) and \$465: \$797

(vii) Individual living in state licensed supportive residential care settings that, depending
on the population served, meet the standards set by the department of human services in
conjunction with the department(s) of children, youth and families, elderly affairs and/or
behavioral healthcare, developmental disabilities and hospitals: \$300.00.

Provided, however, that the department of human services shall by regulation reduce,
effective January 1, 2009, the state's monthly share of supplementary assistance to the
supplementary security income program for each of the above listed payment levels, by the same
value as the annual federal cost of living adjustment to be published by the federal social security
administration in October 2008 and becoming effective on January 1, 2009, as determined under
the provisions of title XVI of the federal social security act [42 U.S.C. § 1381 et seq.]; and
provided further, that it is the intent of the general assembly that the January 1, 2009 reduction in
the state's monthly share shall not cause a reduction in the combined federal and state payment
level for each category of recipients in effect in the month of December 2008; provided further,
that the department of human services is authorized and directed to provide for payments to
recipients in accordance with the above directives.

(2) As of July 1, 2010, state supplement payments shall not be federally administered and
shall be paid directly by the department of human services to the recipient.

(3) Individuals living in institutions shall receive a twenty dollar (\$20.00) per month
personal needs allowance from the state which shall be in addition to the personal needs
allowance allowed by the Social Security Act, 42 U.S.C. § 301 et seq.

(4) Individuals living in state licensed supportive residential care settings and assisted
living residences who are receiving SSI supplemental payments under this section who are
participating in the program under § 40-8.13-12 [or an alternative, successor, or substitute program](#)
[or delivery option](#), or otherwise shall be allowed to retain a minimum personal needs allowance
of fifty-five dollars (\$55.00) per month from their SSI monthly benefit prior to payment of any
monthly fees in addition to any amounts established in an administrative rule promulgated by the
secretary of the executive office of health and human services for persons eligible to receive
Medicaid-funded long-term services and supports in the settings identified in subsection (a)(1)(v)
and (a)(1)(vi).

(5) Except as authorized for the program authorized under § 40-8.13-12 [or an alternative,](#)
[successor, or substitute program, or delivery option designated by the secretary](#) to ensure that
supportive residential care or an assisted living residence is a safe and appropriate service setting,

1 the department is authorized and directed to make a determination of the medical need and
2 whether a setting provides the appropriate services for those persons who: (i) Have applied for or
3 are receiving SSI, and who apply for admission to supportive residential care setting and assisted
4 living residences on or after October 1, 1998; or

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

7 (6) The process for determining medical need required by subsection (5) of this section
8 shall be developed by the office of health and human services in collaboration with the
9 departments of that office and shall be implemented in a manner that furthers the goals of
10 establishing a statewide coordinated long-term care entry system as required pursuant to the
11 Medicaid section 1115 waiver demonstration.

12 (7) To assure access to high quality coordinated services, the executive office of health
13 and human services is further authorized and directed to establish certification or contract
14 standards that must be met by those state licensed supportive residential care settings, including
15 adult supportive care homes and assisted living residences admitting or serving any persons
16 eligible for state-funded supplementary assistance under this section or the program established
17 under § 40-8.13-12. Such certification or contract standards shall define:

18 (i) The scope and frequency of resident assessments, the development and
19 implementation of individualized service plans, staffing levels and qualifications, resident
20 monitoring, service coordination, safety risk management and disclosure, and any other related
21 areas;

22 (ii) The procedures for determining whether the certifications or contract standards have
23 been met; and

24 (iii) The criteria and process for granting a one time, short-term good cause exemption
25 from the certification or contract standards to a licensed supportive residential care setting or
26 assisted living residence that provides documented evidence indicating that meeting or failing to
27 meet said standards poses an undue hardship on any person eligible under this section who is a
28 prospective or current resident.

29 (8) The certification or contract standards required by this section or § 40-8.13-12 [or an](#)
30 [alternative, successor, or substitute program, or delivery option designated by the secretary](#) shall
31 be developed in collaboration by the departments, under the direction of the executive office of
32 health and human services, so as to ensure that they comply with applicable licensure regulations
33 either in effect or in development.

34 (b) The department is authorized and directed to provide additional assistance to

1 individuals eligible for SSI benefits for:

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

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

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

8 **40-6-27.2. Supplementary cash assistance payment for certain supplemental security**
9 **income recipients.**

10 There is hereby established a \$206 monthly payment for disabled and elderly individuals
11 who, on or after July 1, 2012, receive the state supplementary assistance payment for an
12 individual in state licensed assisted living residence under § 40-6-27 and further reside in an
13 assisted living facility that is not eligible to receive funding under Title XIX of the Social
14 Security Act, 42 U.S.C. § 1381 et seq. or reside in any assisted living facility financed by the
15 Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and receive a
16 payment under § 40-6-27. Such a monthly payment shall not be made on behalf of persons
17 participating in the program authorized under § 40-8.13-12 [or an alternative, successor, or](#)
18 [substitute program, or delivery option designated for such purposes by the Secretary of the](#)
19 [Executive Office of Health and Human Services.](#)

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

22 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
23 **services.**

24 (a) The executive office of health and human services ("executive office") shall
25 implement a new methodology for payment for in-state and out-of-state hospital services in order
26 to ensure access to, and the provision of, high-quality and cost-effective hospital care to its
27 eligible recipients.

28 (b) In order to improve efficiency and cost effectiveness, the executive office shall:

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

1 method and the DRG base price annually, making adjustments as appropriate in consideration of
2 such elements as trends in hospital input costs; patterns in hospital coding; beneficiary access to
3 care; and the Centers for Medicare and Medicaid Services national CMS Prospective Payment
4 System (IPPS) Hospital Input Price index. For the twelve-month (12) period beginning July 1,
5 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall not exceed
6 ninety-seven and one-half percent (97.5%) of the payment rates in effect as of July 1, 2014. [For](#)
7 [the twelve \(12\) month period beginning July 1, 2019, there shall be no increase in the DRG base](#)
8 [rate for Medicaid fee-for-service inpatient hospital services.](#)

9 (ii) With respect to inpatient services, (A) It is required as of January 1, 2011 until
10 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
11 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
12 30, 2010. Increases in inpatient hospital payments for each annual twelve-month (12) period
13 beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services
14 national CMS Prospective Payment System (IPPS) Hospital Input Price index for the applicable
15 period; (B) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the
16 Medicaid managed care payment rates between each hospital and health plan shall not exceed the
17 payment rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning
18 July 1, 2015, the Medicaid managed-care payment inpatient rates between each hospital and
19 health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in
20 effect as of January 1, 2013; (C) Increases in inpatient hospital payments for each annual twelve-
21 month (12) period beginning July 1, 2017, shall be the Centers for Medicare and Medicaid
22 Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less
23 Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively
24 to July 1; (D) [Provided, however, for the twelve \(12\) month period beginning July 1, 2019, the](#)
25 [Medicaid managed care payment rates between each hospital and health plan shall not exceed the](#)
26 [payment rates in effect as of January 1, 2019.](#) The executive office will develop an audit
27 methodology and process to assure that savings associated with the payment reductions will
28 accrue directly to the Rhode Island Medicaid program through reduced managed-care-plan
29 payments and shall not be retained by the managed-care plans; (E) All hospitals licensed in
30 Rhode Island shall accept such payment rates as payment in full; and (F) For all such hospitals,
31 compliance with the provisions of this section shall be a condition of participation in the Rhode
32 Island Medicaid program.

33 (2) With respect to outpatient services and notwithstanding any provisions of the law to
34 the contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse

1 hospitals for outpatient services using a rate methodology determined by the executive office and
2 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
3 payments for similar services. Notwithstanding the above, there shall be no increase in the
4 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.
5 For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient
6 rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1,
7 2014. Increases in the outpatient hospital payments for the twelve-month (12) period beginning
8 July 1, 2016, may not exceed the CMS national Outpatient Prospective Payment System (OPPS)
9 Hospital Input Price Index. [For the twelve-month \(12\) period beginning July 1, 2019, Medicaid](#)
10 [fee-for-service outpatient rates shall not exceed the rates in effect as of July 1, 2018.](#) With
11 respect to the outpatient rate, (i) It is required as of January 1, 2011, until December 31, 2011,
12 that the Medicaid managed-care payment rates between each hospital and health plan shall not
13 exceed one hundred percent (100%) of the rate in effect as of June 30, 2010; (ii) Increases in
14 hospital outpatient payments for each annual twelve-month (12) period beginning January 1,
15 2012 until July 1, 2017, may not exceed the Centers for Medicare and Medicaid Services national
16 CMS Outpatient Prospective Payment System OPPS hospital price index for the applicable
17 period; (iii) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the
18 Medicaid managed-care outpatient payment rates between each hospital and health plan shall not
19 exceed the payment rates in effect as of January 1, 2013, and for the twelve-month (12) period
20 beginning July 1, 2015, the Medicaid managed-care outpatient payment rates between each
21 hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
22 payment rates in effect as of January 1, 2013; (iv) Increases in outpatient hospital payments for
23 each annual twelve-month (12) period beginning July 1, 2017, shall be the Centers for Medicare
24 and Medicaid Services national CMS OPPS Hospital Input Price Index, less Productivity
25 Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1.
26 [For the twelve \(12\) month period beginning July 1, 2019, the Medicaid managed-care outpatient](#)
27 [payment rates between each hospital and health plan shall not exceed the payment rates in effect](#)
28 [as of January 1, 2019.](#)

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

1 preceding language, the Medicaid managed care payment rates for a court-approved purchaser
2 that acquires a hospital through receivership, special mastership or other similar state insolvency
3 proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013)
4 shall be based upon the new rates between the court-approved purchaser and the health plan, and
5 such rates shall be effective as of the date that the court-approved purchaser and the health plan
6 execute the initial agreement containing the new rates. The rate-setting methodology for
7 inpatient-hospital payments and outpatient-hospital payments set forth in subdivisions
8 (b)(1)(ii)(C) and (b)(2), respectively, shall thereafter apply to increases for each annual twelve-
9 month (12) period as of July 1 following the completion of the first full year of the court-
10 approved purchaser's initial Medicaid managed care contract.

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

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

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

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

34 (g) The provisions of this section shall be effective upon implementation of the new

1 payment methodology set forth in this section and § 40-8-13.3, which shall in any event be no
2 later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and
3 27-19-16 shall be repealed in their entirety.

4 **40-8-19. Rates of payment to nursing facilities.**

5 (a) Rate reform.

6 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of
7 title 23, and certified to participate in Title XIX of the Social Security Act for services rendered to
8 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs that must be
9 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. §
10 1396a(a)(13). The executive office of health and human services ("executive office") shall
11 promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1,
12 2011, to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq.,
13 of the Social Security Act.

14 (2) The executive office shall review the current methodology for providing Medicaid
15 payments to nursing facilities, including other long-term-care services providers, and is
16 authorized to modify the principles of reimbursement to replace the current cost-based
17 methodology rates with rates based on a price-based methodology to be paid to all facilities with
18 recognition of the acuity of patients and the relative Medicaid occupancy, and to include the
19 following elements to be developed by the executive office:

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

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

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

24 (iv) Application of a fair-rental value system;

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

26 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
27 index to be applied on October 1 of each year, beginning October 1, 2012. This adjustment will
28 not occur on October 1, 2013, October 1, 2014 or October 1, 2015, but will occur on April 1,
29 2015. The adjustment of rates will also not occur on October 1, 2017, ~~or~~ October 1, 2018 and
30 October 1, 2019. Effective July 1, 2018, rates paid to nursing facilities from the rates approved
31 by the Centers for Medicare and Medicaid Services and in effect on October 1, 2017, both fee-
32 for-service and managed care, will be increased by one and one-half percent (1.5%) and further
33 increased by one percent (1%) on October 1, 2018, and further increased by one percent (1%) on
34 October 1, 2019. Said inflation index shall be applied without regard for the transition factors in

1 subsections (b)(1) and (b)(2). For purposes of October 1, 2016, adjustment only, any rate
2 increase that results from application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii)
3 shall be dedicated to increase compensation for direct-care workers in the following manner: Not
4 less than 85% of this aggregate amount shall be expended to fund an increase in wages, benefits,
5 or related employer costs of direct-care staff of nursing homes. For purposes of this section,
6 direct-care staff shall include registered nurses (RNs), licensed practical nurses (LPNs), certified
7 nursing assistants (CNAs), certified medical technicians, housekeeping staff, laundry staff,
8 dietary staff, or other similar employees providing direct care services; provided, however, that
9 this definition of direct-care staff shall not include: (i) RNs and LPNs who are classified as
10 "exempt employees" under the Federal Fair Labor Standards Act (29 U.S.C. § 201 et seq.); or (ii)
11 CNAs, certified medical technicians, RNs, or LPNs who are contracted, or subcontracted, through
12 a third-party vendor or staffing agency. By July 31, 2017, nursing facilities shall submit to the
13 secretary, or designee, a certification that they have complied with the provisions of subsections
14 (a)(2)(vi) with respect to the inflation index applied on October 1, 2016. Any facility that does not
15 comply with terms of such certification shall be subjected to a clawback, paid by the nursing
16 facility to the state, in the amount of increased reimbursement subject to this provision that was
17 not expended in compliance 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 subsection (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; for the year beginning October 1, 2017, the reimbursement for direct-
26 care costs under this provision will be phased out in twenty-five-percent (25%) increments each
27 year until October 1, 2021, when the reimbursement will no longer be in effect; and

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 years 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

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

(4) Notwithstanding any law to the contrary, for the twelve-month (12) period beginning July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section shall not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015. Consistent with the other provisions of this chapter, nothing in this provision shall require the executive office to restore the rates to those in effect on April 1, 2015, at the end of this twelve-month (12) period.

SECTION 3. Section 40-8.3-10 of the General Laws in Chapter 40-8.3 entitled "Uncompensated Care" is hereby amended to read as follows:

40-8.3-10. Hospital adjustment payments.

Effective July 1, 2012 and for each subsequent year, the executive office of health and human services is hereby authorized and directed to amend its regulations for reimbursement to hospitals for ~~inpatient and~~ outpatient services as follows:

(a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-38.1(c)(1), shall receive a quarterly outpatient adjustment payment each state fiscal year of an amount determined as follows:

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

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

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

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

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

~~(1) Determine the percent of the state's total Medicaid inpatient services (exclusive of~~

1 ~~physician services) provided by each hospital during each hospital's prior fiscal year;~~

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

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

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

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

16 SECTION 4. Effective October 1, 2019, Chapter 40-8.4 of the General Laws entitled
17 "Health Care For Families" is hereby amended by adding thereto the following section:

18 **40-8.4-21. Employer Public Assistance Assessment.**

19 (a) Employer Assessment. Each employer employing no less than three hundred (300)
20 employees within the state of Rhode Island, shall pay quarterly an assessment for each employee
21 who is a Medicaid beneficiary for every day of the quarter, whether full- or part-time; provided,
22 however, no nonprofit organization or governmental entity shall be considered an employer for
23 the purposes of this section. The assessment shall be computed by multiplying the wages the
24 employer paid any such employee by ten per cent (10%), up to an annual maximum assessment
25 of one thousand five hundred dollars (\$1,500) per Medicaid beneficiary employee. Working
26 adults with disabilities, as further defined by regulation authorized in subsection (g), are
27 exempted employees for whom the employer will not be charged an employer assessment under
28 this section.

29 (b) Wages. For the purposes of this section, "wages" means all compensation due to an
30 employee by reason of his or her employment.

31 (c) Appeal. An employer notified of a liability determination under this section may
32 request a hearing with the department of labor and training to appeal the liability determination.
33 The request for a hearing shall be filed not more than fifteen (15) days after the receipt of notice
34 of the determination. The decision rendered at the conclusion of the hearing shall be considered a

1 final agency order.

2 (d) Eligibility inquiries. Notwithstanding the appeal right in subsection (c), an employer
3 may issue to the department of human services a request for review of the Medicaid eligibility of
4 any employee for whom the employer is charged an assessment. Except where prohibited by
5 federal law, the State is authorized to make a limited disclosure to the inquiring employer
6 regarding the name of any Medicaid beneficiary employee for whom the employer is being
7 assessed under subsection (a).

8 (e) Discrimination prohibited. No employer may take any adverse action against any
9 employee or potential employee on the basis of the employee's status as a Medicaid beneficiary.
10 Any employer found to have discriminated on this basis shall be subject to a penalty prescribed in
11 regulations promulgated pursuant to this section.

12 (f) Data sharing. The departments of administration, revenue, human services, and labor
13 and training, and the executive office of health and human services are authorized to share data
14 and information to implement this section. Data collected by the departments of administration,
15 revenue, human services, labor and training, or the executive office of health and human services
16 for the implementation of this section shall not be a public record.

17 (g) Regulations. The departments of labor and training and human services are authorized
18 to promulgate regulations to implement the provisions of this section, including additional
19 parameters on which employees cause the assessment and the definition of working disabled
20 adults exempted from the employer assessment contained in subsection (a), in consultation with
21 the executive office of health and human services and department of revenue.

22 SECTION 5. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical
23 Assistance - Long-Term Care Service and Finance Reform" is hereby amended to read as
24 follows:

25 **40-8.9-9. Long-term-care rebalancing system reform goal.**

26 (a) Notwithstanding any other provision of state law, the executive office of health and
27 human services is authorized and directed to apply for, and obtain, any necessary waiver(s),
28 waiver amendment(s), and/or state-plan amendments from the secretary of the United States
29 Department of Health and Human Services, and to promulgate rules necessary to adopt an
30 affirmative plan of program design and implementation that addresses the goal of allocating a
31 minimum of fifty percent (50%) of Medicaid long-term-care funding for persons aged sixty-five
32 (65) and over and adults with disabilities, in addition to services for persons with developmental
33 disabilities, to home- and community-based care; provided, further, the executive office shall
34 report annually as part of its budget submission, the percentage distribution between institutional

1 care and home- and community-based care by population and shall report current and projected
2 waiting lists for long-term-care and home- and community-based care services. The executive
3 office is further authorized and directed to prioritize investments in home- and community-based
4 care and to maintain the integrity and financial viability of all current long-term-care services
5 while pursuing this goal.

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

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

31 (1) The executive office shall continue to apply the level of care criteria in effect on June
32 30, 2015, for any recipient determined eligible for and receiving Medicaid-funded, long-term
33 services in supports in a nursing facility, hospital, or intermediate-care facility for persons with
34 intellectual disabilities on or before that date, unless:

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

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

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

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

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

26 (ii) The recipient has either appealed that level of care determination and been
27 unsuccessful, or any appeal period available to the recipient regarding that level of care
28 determination has expired.

29 (d) The executive office is further authorized to consolidate all home- and community-
30 based services currently provided pursuant to 42 U.S.C. § 1396n into a single system of home-
31 and community-based services that include options for consumer direction and shared living. The
32 resulting single home- and community-based services system shall replace and supersede all 42
33 U.S.C. § 1396n programs when fully implemented. Notwithstanding the foregoing, the resulting
34 single program home- and community-based services system shall include the continued funding

1 of assisted-living services at any assisted-living facility financed by the Rhode Island housing and
2 mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter
3 66.8 of title 42 as long as assisted-living services are a covered Medicaid benefit.

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

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

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

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

21 The standards for adult-day services for persons eligible for Medicaid-funded, long-term
22 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-
23 8.10-3.

24 (3) As the state's Medicaid program seeks to assist more beneficiaries requiring long-term
25 services and supports in home- and community-based settings, the demand for home care workers
26 has increased, and wages for these workers has not kept pace with neighboring states, leading to
27 high turnover and vacancy rates in the state's home-care industry, the executive office shall
28 institute a one-time increase in the base-payment rates for home-care service providers to
29 promote increased access to and an adequate supply of highly trained home health care
30 professionals, in amount to be determined by the appropriations process, for the purpose of
31 raising wages for personal care attendants and home health aides to be implemented by such
32 providers.

33 (4) A prospective base adjustment, effective not later than July 1, 2018, of ten percent
34 (10%) of the current base rate for home care providers, home nursing care providers, and hospice

1 providers contracted with the executive office of health and human services and its subordinate
2 agencies to deliver Medicaid fee-for-service personal care attendant services.

3 (5) A prospective base adjustment, effective not later than July 1, 2018, of twenty percent
4 (20%) of the current base rate for home care providers, home nursing care providers, and hospice
5 providers contracted with the executive office of health and human services and its subordinate
6 agencies to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice
7 care.

8 (6) Effective July 1, 2019, the rate for hospice providers delivering hospice care in a
9 skilled nursing facility shall not exceed ninety-five percent (95%) of the rate paid for non-hospice
10 care in a skilled nursing facility.

11 ~~(6)~~ (7) On the first of July in each year, beginning on July 1, 2019, the executive office of
12 health and human services will initiate an annual inflation increase to the base rate for home care
13 providers, home nursing care providers, and hospice providers, except those providing hospice
14 care in skilled nursing facilities, contracted with the executive office and its subordinate agencies
15 to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice care. The
16 base rate increase shall be ~~by~~ a percentage amount equal to the New England Consumer Price
17 Index card as determined by the United States Department of Labor for medical care and for
18 compliance with all federal and state laws, regulations, and rules, and all national accreditation
19 program requirements. (g) The executive office shall implement a long-term-care options
20 counseling program to provide individuals, or their representatives, or both, with long-term-care
21 consultations that shall include, at a minimum, information about: long-term-care options,
22 sources, and methods of both public and private payment for long-term-care services and an
23 assessment of an individual's functional capabilities and opportunities for maximizing
24 independence. Each individual admitted to, or seeking admission to, a long-term-care facility,
25 regardless of the payment source, shall be informed by the facility of the availability of the long-
26 term-care options counseling program and shall be provided with long-term-care options
27 consultation if they so request. Each individual who applies for Medicaid long-term-care services
28 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, the
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 § 40-8.13-12 [or an](#)
12 [alternative, successor, or substitute program, or delivery option designated for such purposes by](#)
13 [the Secretary of the Executive Office of Health and Human Services;](#)

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

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

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

26 SECTION 6. Section 40-8.13-12 of the General Laws in Chapter 40-8.13 entitled "Long-
27 Term Managed Care Arrangements" is hereby amended to read as follows:

28 **40-8.13-12. Community-based supportive living program.**

29 (a) To expand the number of community-based service options, the executive office of
30 health and human services shall establish a program for beneficiaries opting to participate in
31 managed care long-term care arrangements under this chapter who choose to receive Medicaid-
32 funded assisted living, adult supportive care home, or shared living long-term care services and
33 supports. As part of the program, the executive office shall implement Medicaid certification or,
34 as appropriate, managed care contract standards for state authorized providers of these services

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

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

19 (c) Program cost-effectiveness. The total cost to the state for providing the state
20 supplement and Medicaid-funded services and supports to beneficiaries participating in the
21 program in the initial year of implementation shall not exceed the cost for providing Medicaid-
22 funded services to the same number of beneficiaries with similar acuity needs in an institutional
23 setting in the initial year of the operations. The program shall be terminated if the executive
24 office determines that the program has not met this target. [The State shall expand access to the](#)
25 [program to qualified beneficiaries who opt out of an LTSS arrangement, in accordance with §40-](#)
26 [8.13-2, or are required to enroll in an alternative, successor, or substitute program, or delivery](#)
27 [option designated for such purposes by the Secretary of the Executive Office of Health and](#)
28 [Human Services if the enrollment in an LTSS plan is no longer an option.](#)

29 SECTION 7. Section 40.1-22-13 of the General Laws in Chapter 40.1-22 entitled
30 "Developmental Disabilities" is hereby amended to read as follows:

31 **40.1-22-13. Visits.**

32 No public or private developmental disabilities facility shall restrict the visiting of a
33 client by anyone at any time of the day or night; however, in special circumstances when the
34 client is ill or incapacitated and a visit would not be in his or her best interest, visitation may be

restricted temporarily during the illness or incapacity [when documented in the client's individualized program plan, as defined in §40.1-21-4.3\(7\) of the general laws.](#)

SECTION 8. Section 40.1-26-3 of the General Laws in Chapter 40.1-26 entitled "Rights for Persons with Developmental Disabilities" is hereby amended to read as follows:

40.1-26-3. Participants' rights.

In addition to any other rights provided by state or federal laws, a participant as defined in this chapter shall be entitled to the following rights:

(1) To be treated with dignity, respect for privacy and have the right to a safe and supportive environment;

(2) To be free from verbal and physical abuse;

(3)(i) To engage in any activity including employment, appropriate to his or her age, and interests in the most integrated community setting;

(ii) No participant shall be required to perform labor, which involves the essential operation and maintenance of the agency or the regular supervision or care of other participants. Participants may however, be requested to perform labor involving normal housekeeping and home maintenance functions if such responsibilities are documented in the participant's individualized plan;

(4) To participate in the development of his or her individualized plan and to provide informed consent to its implementation or to have an advocate provide informed consent if the participant is not competent to do so;

(5) To have access to his or her individualized plan and other medical, social, financial, vocational, psychiatric, or other information included in the file maintained by the agency;

(6) To give written informed consent prior to the imposition of any plan designed to modify behavior, including those which utilizes aversive techniques or impairs the participant's liberty or to have an advocate provide written informed consent if the participant is not competent to do so. Provided, however, that if the participant is competent to provide consent but cannot provide written consent, the agency shall accept an alternate form of consent and document in the participant's record how such consent was obtained;

(7) To register a complaint regarding an alleged violation of rights through the grievance procedure delineated in § 40.1-26-5;

(8) To be free from unnecessary restraint. Restraints shall not be employed as punishment, for the convenience of the staff, or as a substitute for an individualized plan. Restraints shall impose the least possible restrictions consistent with their purpose and shall be removed when the emergency ends. Restraints shall not cause physical injury to the participant

1 and shall be designed to allow the greatest possible comfort. Restraints shall be subject to the
2 following conditions:

3 (i) Physical restraint shall be employed only in emergencies to protect the participant or
4 others from imminent injury or when prescribed by a physician, when necessary, during the
5 conduct of a specific medical or surgical procedure or if necessary for participant protection
6 during the time that a medical condition exists;

7 (ii) Chemical restraint shall only be used when prescribed by a physician in extreme
8 emergencies in which physical restraint is not possible and the harmful effects of the emergency
9 clearly outweigh the potential harmful effects of the chemical restraints;

10 (iii) No participant shall be placed in seclusion;

11 (iv) The agency shall have a written policy that defines the use of restraints, the staff
12 members who may authorize their use, and a mechanism for monitoring and controlling their use;

13 (v) All orders for restraint as well as the required frequency of staff observation of the
14 participant shall be written;

15 (9) To have ~~reasonable~~, at any time, access to telephone communication;

16 (10) To receive visitors of a participant's choosing at ~~all-reasonable hours~~ any time;

17 (11) To keep and be allowed to spend ~~a reasonable amount of~~ one's own money;

18 (12) To be provided advance written notice explaining the reason(s) why the participant
19 is no longer eligible for service from the agency;

20 (13) To religious freedom and practice;

21 (14) To communicate by sealed mail or otherwise with persons of one's choosing;

22 (15) To select and wear one's own clothing and to keep and use one's own personal
23 possessions;

24 (16) To have ~~reasonable~~, prompt access to current newspapers, magazines and radio and
25 television programming;

26 (17) To have opportunities for physical exercise and outdoor recreation;

27 (18)(i) To provide informed consent prior to the imposition of any invasive medical
28 treatment including any surgical procedure or to have a legal guardian, or in the absence of a legal
29 guardian, a relative as defined in this chapter, provide informed consent if the participant is not
30 competent to do so. Information upon which a participant shall make necessary treatment and/or
31 surgery decisions shall be presented to the participant in a manner consistent with his or her
32 learning style and shall include, but not be limited to:

33 (A) The nature and consequences of the procedure(s);

34 (B) The risks, benefits and purpose of the procedure(s); and

1 (C) Alternate procedures available;

2 (ii) The informed consent of a participant or his or her legal guardian or, in the absence of
3 a legal guardian, a relative as defined in this chapter, may be withdrawn at any time, with or
4 without cause, prior to treatment. The absence of informed consent notwithstanding, a licensed
5 and qualified physician may render emergency medical care or treatment to any participant who
6 has been injured or who is suffering from an acute illness, disease, or condition if, within a
7 reasonable degree of medical certainty, delay in initiation of emergency medical care or treatment
8 would endanger the health of the participant;

9 (19) Each participant shall have a central record. The record shall include data pertaining
10 to admissions and such other information as may be required under regulations by the
11 department;

12 (20) Admissions -- As part of the procedure for the admission of a participant to an
13 agency, each participant or applicant, or advocate if the participant or applicant is not competent,
14 shall be fully informed, orally and in writing, of all rules, regulations, and policies governing
15 participant conduct and responsibilities, including grounds for dismissal, procedures for
16 discharge, and all anticipated financial charges, including all costs not covered under federal
17 and/or state programs, by other third party payors or by the agency's basic per diem rate. The
18 written notice shall include information regarding the participant's or applicant's right to appeal
19 the admission or dismissal decisions of the agency;

20 (21) Upon termination of services to or death of a participant, a final accounting shall be
21 made of all personal effects and/or money belonging to the participant held by the agency. All
22 personal effects and/or money including interest shall be promptly released to the participant or
23 his or her heirs;

24 (22) Nothing in this chapter shall preclude intervention in the form of appropriate and
25 reasonable restraint should it be necessary to protect individuals from physical injury to
26 themselves or others.

27 SECTION 9. Section 42-12.4-7 of the General Laws in Chapter 42-12.4 entitled "The
28 Rhode Island Medicaid Reform Act of 2008" is hereby amended to read as follows:

29 **42-12.4-7. Demonstration implementation -- Restrictions.**

30 The executive office of health and human services and the department of human services
31 may implement the global consumer choice section 1115 demonstration ("the demonstration"),
32 project number 11W-00242/1, subject to the following restrictions:

33 (1) Notwithstanding the provisions of the demonstration, any change that requires the
34 implementation of a rule or regulation or modification of a rule or regulation in existence prior to

1 the demonstration shall require prior approval of the general assembly;

2 (2) Notwithstanding the provisions of the demonstration, any ~~Category II change or~~
3 ~~Category III change~~ formal waiver amendments, as defined in the demonstration, shall require the
4 prior approval of the general assembly.

5 SECTION 10. Section 42-14.6-4 of the General Laws in Chapter 42-14.6 entitled "Rhode
6 Island All-Payer Patient-Centered Medical Home Act" is hereby amended to read as follows:

7 **42-14.6-4. Promotion of the patient-centered medical home.**

8 (a) Care coordination payments.

9 (1) The commissioner and the secretary shall convene a patient-centered medical home
10 collaborative consisting of the entities described in subdivision 42-14.6-3(7). The commissioner
11 shall require participation in the collaborative by all of the health insurers described above. The
12 collaborative shall propose, by January 1, 2012, a payment system, to be adopted in whole or in
13 part by the commissioner and the secretary, that requires all health insurers to make per-person
14 care coordination payments to patient-centered medical homes, for providing care coordination
15 services and directly managing on-site or employing care coordinators as part of all health
16 insurance plans offered in Rhode Island. The collaborative shall provide guidance to the state
17 health-care program as to the appropriate payment system for the state health-care program to the
18 same patient-centered medical homes; the state health-care program must justify the reasons for
19 any departure from this guidance to the collaborative.

20 (2) The care coordination payments under this shall be consistent across insurers and
21 patient-centered medical homes and shall be in addition to any other incentive payments such as
22 quality incentive payments. In developing the criteria for care coordination payments, the
23 commissioner shall consider the feasibility of including the additional time and resources needed
24 by patients with limited English-language skills, cultural differences, or other barriers to health
25 care. The commissioner may direct the collaborative to determine a schedule for phasing in care
26 coordination fees.

27 ~~(3) The care coordination payment system shall be in place through July 1, 2016. Its~~
28 ~~continuation beyond that point shall depend on results of the evaluation reports filed pursuant to §~~
29 ~~42-14.6-6.~~

30 ~~(4)~~(3) Examination of other payment reforms. ~~By January 1, 2013, the commissioner and~~
31 ~~the~~ The secretary shall direct the collaborative to consider additional payment reforms to be
32 implemented to support patient-centered medical homes including, but not limited to, payment
33 structures (to medical home or other providers) that:

34 (i) Reward high-quality, low-cost providers;

- 1 (ii) Create enrollee incentives to receive care from high-quality, low-cost providers;
- 2 (iii) Foster collaboration among providers to reduce cost shifting from one part of the
- 3 health continuum to another; and
- 4 (iv) Create incentives that health care be provided in the least restrictive, most
- 5 appropriate setting.

6 (v) Constitute alternatives to fee for service payment, such as partial and full capitation.

7 ~~(5)~~(4) The patient-centered medical home collaborative shall examine and make

8 recommendations to the secretary regarding the designation of patient-centered medical homes, in

9 order to promote diversity in the size of practices designated, geographic locations of practices

10 designated and accessibility of the population throughout the state to patient-centered medical

11 homes.

12 (b) The patient-centered medical home collaborative shall propose to the secretary for

13 adoption, standards for the patient-centered medical home to be used in the payment system. In

14 developing these standards, the existing standards by the national committee for quality

15 assurance, or other independent accrediting organizations may be considered where feasible.

16 SECTION 11. Section 15 of Article 5 of Chapter 141 of the Public Laws of 2015 is

17 hereby repealed.

18 ~~A pool is hereby established of up to \$4.0 million to support Medicaid Graduate~~

19 ~~Education funding for Academic Medical Centers who provide care to the state's critically ill and~~

20 ~~indigent populations. The office of Health and Human Services shall utilize this pool to provide~~

21 ~~up to \$5 million per year in additional Medicaid payments to support Graduate Medical~~

22 ~~Education programs to hospitals meeting all of the following criteria:~~

23 ~~(a) Hospital must have a minimum of 25,000 inpatient discharges per year for all patients~~

24 ~~regardless of coverage.~~

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

26 ~~(c) Hospital must provide graduate medical education training for at least 250 interns and~~

27 ~~residents per year.~~

28 ~~The Secretary of the Executive Office of Health and Human Services shall determine the~~

29 ~~appropriate Medicaid payment mechanism to implement this program and amend any state plan~~

30 ~~documents required to implement the payments.~~

31 ~~Payments for Graduate Medical Education programs shall be made annually.~~

32 SECTION 12. Effective Date. Section of this article shall take effect October 1, 2019.

33 The remaining sections of this article shall take effect upon passage.

34 **ARTICLE 17**

1 RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION

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

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

5 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws
6 42-12.4-1, et seq.; and

7 WHEREAS, Rhode Island General Law 42-7.2-5(3)(a) provides that the Secretary of the
8 Executive Office of Health and Human Services (“Executive Office”) is responsible for the
9 review and coordination of any Rhode Island’s Medicaid section 1115 demonstration waiver
10 requests and renewals as well as any initiatives and proposals requiring amendments to the
11 Medicaid state plan or changes as described in the demonstration, “with potential to affect the
12 scope, amount, or duration of publicly-funded health care services, provider payments or
13 reimbursements, or access to or the availability of benefits and services provided by Rhode Island
14 general and public laws”; and

15 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
16 fiscally sound and sustainable, the Secretary of the Executive Office requests legislative approval
17 of the following proposals to amend the Rhode Island’s Medicaid section 1115 demonstration:

18 (a) Provider rates – Adjustments. The Executive Office proposes to:

19 (i) reduce in-patient and out-patient hospital payment rates by maintaining state fiscal
20 year 2019 levels;

21 (ii) increase nursing home rates by one percent (1%) on October 1, 2019;

22 (iii) establish, effective July 1, 2019, that the rate for hospice providers delivering hospice
23 care in a skilled nursing facility will not exceed ninety-five percent (95%) of the rate paid for
24 non-hospice care in a skilled nursing facility; and

25 (iv) reduce the rates for Medicaid managed care plan.

26 Implementation of adjustments may require amendments to the Rhode Island’s Medicaid
27 state plan and/or section 1115 demonstration waiver under applicable terms and conditions.
28 Further, adoption of new or amended rules, regulations and procedures may also be required.

29 (b) Fiscal Intermediary for Self-Direction Programs. The Executive Office proposes
30 to seek a waiver of freedom of choice of providers under Title XIX of the Social Security Act, as
31 amended, to utilize one fiscal intermediary for the Medicaid self-direction programs currently
32 being implemented by the state. Authority for the waiver requires amendments to the Rhode
33 Island’s Section 1115 demonstration waiver and may also necessitate the adoption of new or
34 amended rules, regulations and procedures.

1 (c) Expansion of Home and Community Care Co-Pay Program. The Executive
2 Office, in conjunction with the Division of Elderly Affairs, proposes to implement the authorities
3 approved under the section 1115 waiver demonstration to increase the maximum income limit for
4 all co-pay program eligibility from two hundred percent (200%) of the Federal Poverty Level to
5 two hundred and fifty percent (250%) of the Federal Poverty Level. Implementation of these
6 waiver authorities requires adoption of new or amended rules, regulations and procedures.

7 (d) Increase in the Department of Behavioral Healthcare, Developmental Disabilities
8 and Hospitals (BHDDH) Direct Care Service Workers Wages. To further the long-term care
9 system rebalancing goal of improving access to high quality services in the least restrictive
10 setting, the Executive Office proposes to establish a targeted wage increase for certain
11 community-based BHDDH developmental disability private providers and self-directed consumer
12 direct care service workers. Implementation of the program may require amendments to the
13 Medicaid State Plan and/or Section 1115 demonstration waiver due to changes in payment
14 methodologies.

15 (e) Federal Financing Opportunities. The Executive Office proposes to review
16 Medicaid requirements and opportunities under the U.S. Patient Protection and Affordable Care
17 Act of 2010, as amended, and various other recently enacted federal laws and pursue any changes
18 in the Rhode Island Medicaid program that promote service quality, access and cost-effectiveness
19 that may warrant a Medicaid state plan amendment or amendment under the terms and conditions
20 of Rhode Island's section 1115 waiver, its successor, or any extension thereof. Any such actions
21 by the Executive Office shall not have an adverse impact on beneficiaries and shall not cause an
22 increase in expenditures beyond the amount appropriated for state fiscal year 2020.

23 Now, therefore, be it

24 RESOLVED, the General Assembly hereby approves the proposals under paragraphs (a)
25 through (e) above; and be it further;

26 RESOLVED, the Secretary of the Executive Office is authorized to pursue and
27 implement any Rhode Island's Medicaid section 1115 demonstration waiver amendments,
28 Medicaid state plan amendments, and/or changes to the applicable department's rules, regulations
29 and procedures approved herein and as authorized by 42-12.4; and be it further

30 RESOLVED, that this Joint Resolution shall take effect upon passage.

31 **ARTICLE 18**

32 **RELATING TO HOSPITAL UNCOMPENSATED CARE**

33 **SECTION 1.** Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3
34 entitled "Uncompensated Care" are hereby amended to read as follows:

1 **40-8.3-2. Definitions.**

2 As used in this chapter:

3 (1) "Base year" means, for the purpose of calculating a disproportionate share payment
4 for any fiscal year ending after September 30, ~~2017~~ 2018, the period from October 1, ~~2015~~ 2016,
5 through September 30, ~~2016~~ 2017, and for any fiscal year ending after September 30, ~~2018~~ 2019,
6 the period from October 1, 2016, through September 30, 2017.

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

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

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

29 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)
30 during the base year; and

31 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
32 the payment year.

33 (4) "Uncompensated-care costs" means, as to any hospital, the sum of: (i) The cost
34 incurred by such hospital during the base year for inpatient or outpatient services attributable to

1 charity care (free care and bad debts) for which the patient has no health insurance or other third-
2 party coverage less payments, if any, received directly from such patients; and (ii) The cost
3 incurred by such hospital during the base year for inpatient or out-patient services attributable to
4 Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the
5 uncompensated care index.

6 (5) "Uncompensated-care index" means the annual percentage increase for hospitals
7 established pursuant to § 27-19-14 for each year after the base year, up to and including the
8 payment year; provided, however, that the uncompensated-care index for the payment year
9 ending September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent
10 (5.38%), and that the uncompensated-care index for the payment year ending September 30,
11 2008, shall be deemed to be five and forty-seven hundredths percent (5.47%), and that the
12 uncompensated-care index for the payment year ending September 30, 2009, shall be deemed to
13 be five and thirty-eight hundredths percent (5.38%), and that the uncompensated-care index for
14 the payment years ending September 30, 2010, September 30, 2011, September 30, 2012,
15 September 30, 2013, September 30, 2014, September 30, 2015, September 30, 2016, September
16 30, 2017, ~~and~~ September 30, 2018, [September 30, 2019, and September 30, 2020](#) shall be deemed
17 to be five and thirty hundredths percent (5.30%).

18 **40-8.3-3. Implementation.**

19 ~~(a) For federal fiscal year 2017, commencing on October 1, 2016, and ending September~~
20 ~~30, 2017, the executive office of health and human services shall submit to the Secretary of the~~
21 ~~U.S. Department of Health and Human Services a state plan amendment to the Rhode Island~~
22 ~~Medicaid DSH Plan to provide:~~

23 ~~(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of~~
24 ~~\$139.7 million, shall be allocated by the executive office of health and human services to the Pool~~
25 ~~D component of the DSH Plan; and~~

26 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~
27 ~~direct proportion to the individual, participating hospital's uncompensated care costs for the base~~
28 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
29 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate-~~
30 ~~share payments shall be made on or before July 11, 2017, and are expressly conditioned upon~~
31 ~~approval on or before July 5, 2017, by the Secretary of the U.S. Department of Health and Human~~
32 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~
33 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2017 for~~
34 ~~the disproportionate share payments.~~

1 ~~(a)~~(a) For federal fiscal year 2018, commencing on October 1, 2017, and ending
2 September 30, 2018, the executive office of health and human services shall submit to the
3 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
4 Rhode Island Medicaid DSH Plan to provide:

5 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
6 \$138.6 million, shall be allocated by the executive office of health and human services to the Pool
7 D component of the DSH Plan; and

8 (2) That the Pool D allotment shall be distributed among the participating hospitals in
9 direct proportion to the individual participating hospital's uncompensated care costs for the base
10 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
11 year inflated by uncompensated care index for all participating hospitals. The disproportionate
12 share payments shall be made on or before July 10, 2018, and are expressly conditioned upon
13 approval on or before July 5, 2018, by the Secretary of the U.S. Department of Health and Human
14 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
15 to secure for the state the benefit of federal financial participation in federal fiscal year 2018 for
16 the disproportionate share payments.

17 ~~(a)~~(b) For federal fiscal year 2019, commencing on October 1, 2018, and ending
18 September 30, 2019, the executive office of health and human services shall submit to the
19 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
20 Rhode Island Medicaid DSH Plan to provide:

21 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
22 \$139.7 million, shall be allocated by the executive office of health and human services to the Pool
23 D component of the DSH Plan; and

24 (2) That the Pool D allotment shall be distributed among the participating hospitals in
25 direct proportion to the individual participating hospital's uncompensated care costs for the base
26 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
27 year inflated by uncompensated care index for all participating hospitals. The disproportionate
28 share payments shall be made on or before July 10, 2019, and are expressly conditioned upon
29 approval on or before July 5, 2019, by the Secretary of the U.S. Department of Health and Human
30 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
31 to secure for the state the benefit of federal financial participation in federal fiscal year ~~2018~~ 2019
32 for the disproportionate share payments.

33 (c) For federal fiscal year 2020, commencing on October 1, 2019, and ending September
34 30, 2020, the executive office of health and human services shall submit to the Secretary of the

1 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
2 Medicaid DSH Plan to provide:

3 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
4 \$139.7 million, shall be allocated by the executive office of health and human services to the Pool
5 D component of the DSH Plan; and

6 (2) That the Pool D allotment shall be distributed among the participating hospitals in
7 direct proportion to the individual participating hospital's uncompensated care costs for the base
8 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
9 year inflated by uncompensated care index for all participating hospitals. The disproportionate
10 share payments shall be made on or before July 13, 2020, and are expressly conditioned upon
11 approval on or before July 6, 2020, by the Secretary of the U.S. Department of Health and Human
12 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
13 to secure for the state the benefit of federal financial participation in federal fiscal year 2020 for
14 the disproportionate share payments.

15 (d) No provision is made pursuant to this chapter for disproportionate-share hospital
16 payments to participating hospitals for uncompensated-care costs related to graduate medical
17 education programs.

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

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

28 SECTION 2. This article shall take effect as of July 1, 2019.

29 **ARTICLE 19**

30 **RELATING TO LICENSING OF HOSPITAL FACILITIES**

31 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
32 "Licensing of Health-Care Facilities" is hereby amended to read as follows:

33 **23-17-38.1. Hospitals -- Licensing fee.**

34 ~~(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred~~

1 ~~fifty-six thousandths percent (5.856%) upon the net patient services revenue of every hospital for~~
2 ~~the hospital's first fiscal year ending on or after January 1, 2016, except that the license fee for all~~
3 ~~hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent~~
4 ~~(37%). The discount for Washington County hospitals is subject to approval by the Secretary of~~
5 ~~the U.S. Department of Health and Human Services of a state plan amendment submitted by the~~
6 ~~executive office of health and human services for the purpose of pursuing a waiver of the~~
7 ~~uniformity requirement for the hospital license fee. This licensing fee shall be administered and~~
8 ~~collected by the tax administrator, division of taxation within the department of revenue, and all~~
9 ~~the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every~~
10 ~~hospital shall pay the licensing fee to the tax administrator on or before July 10, 2018, and~~
11 ~~payments shall be made by electronic transfer of monies to the general treasurer and deposited to~~
12 ~~the general fund. Every hospital shall, on or before June 14, 2018, make a return to the tax~~
13 ~~administrator containing the correct computation of net patient services revenue for the hospital~~
14 ~~fiscal year ending September 30, 2016, and the licensing fee due upon that amount. All returns~~
15 ~~shall be signed by the hospital's authorized representative, subject to the pains and penalties of~~
16 ~~perjury.~~

17 ~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon
18 the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or
19 after January 1, 2017, except that the license fee for all hospitals located in Washington County,
20 Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington
21 County hospitals is subject to approval by the Secretary of the U.S. Department of Health and
22 Human Services of a state plan amendment submitted by the executive office of health and
23 human services for the purpose of pursuing a waiver of the uniformity requirement for the
24 hospital license fee. This licensing fee shall be administered and collected by the tax
25 administrator, division of taxation within the department of revenue, and all the administration,
26 collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the
27 licensing fee to the tax administrator on or before July 10, 2019, and payments shall be made by
28 electronic transfer of monies to the general treasurer and deposited to the general fund. Every
29 hospital shall, on or before June 14, 2019, make a return to the tax administrator containing the
30 correct computation of net patient-services revenue for the hospital fiscal year ending September
31 30, 2017, and the licensing fee due upon that amount. All returns shall be signed by the hospital's
32 authorized representative, subject to the pains and penalties of perjury.

33 (b) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon the
34 net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after

1 January 1, 2017, except that the license fee for all hospitals located in Washington County, Rhode
2 Island shall be discounted by thirty-seven percent (37%). The discount for Washington County
3 hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human
4 Services of a state plan amendment submitted by the executive office of health and human
5 services for the purpose of pursuing a waiver of the uniformity requirement for the hospital
6 license fee. This licensing fee shall be administered and collected by the tax administrator,
7 division of taxation within the department of revenue, and all the administration, collection, and
8 other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to
9 the tax administrator on or before July 13, 2020, and payments shall be made by electronic
10 transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall,
11 on or before June 15, 2020, make a return to the tax administrator containing the correct
12 computation of net patient-services revenue for the hospital fiscal year ending September 30,
13 2017, and the licensing fee due upon that amount. All returns shall be signed by the hospital's
14 authorized representative, subject to the pains and penalties of perjury.

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

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

33 (2) "Gross patient-services revenue" means the gross revenue related to patient care
34 services.

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

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

(e) The licensing fee imposed by this section shall apply to hospitals as defined herein that are duly licensed on July 1, ~~2018~~ 2019, and shall be in addition to the inspection fee imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

SECTION 2. This article shall take effect as of July 1, 2019.

ARTICLE 20

RELATING TO MARIJUANA

SECTION 1. Sections 2-26-1, 2-26-3, 2-26-4, 2-26-5, 2-26-6 and 2-26-7 of the General Laws in Chapter 2-26 entitled "Hemp Growth Act" are hereby amended to read as follows:

2-26-1. Short title.

This chapter shall be known and may be cited as the "[Industrial](#) Hemp Growth Act."

2-26-3. Definitions.

When used in this chapter, the following terms shall have the following meanings:

(1) "Applicant" means any person, firm, corporation, or other legal entity who or that, on his, her, or its own behalf, or on behalf of another, has applied for permission to engage in any act or activity that is regulated under the provisions of this chapter.

(2) "[Cannabis](#)" means [all parts of the plant of the genus marijuana, also known as marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency including "marijuana" and "industrial hemp" or "industrial hemp products" which satisfy the requirements of this chapter.](#)

(3) "[Cannabidiol](#)" or "[CBD](#)" means [cannabidiol \(CBD\) derived from a hemp plant as defined in § 2-26-3\(8\), not including products derived from exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.](#)

~~(2)~~ (4) "Department" means the [office of cannabis regulation within the](#) department of business regulation.

~~(3)~~ (5) "Division" means the division of agriculture in the department of environmental management.

(4) (6) "Grower" means a person or entity who or that produces hemp for commercial purposes.

(5) (7) "Handler" means a person or entity who or that produces hemp for processing into commodities, products, or agricultural hemp seed.

(6) (8) "Hemp" or "industrial hemp" means ~~the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed three tenths percent (0.3%) on a dry weight basis of any part of the plant cannabis, or per volume or weight of marijuana product or the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content. Hemp is also commonly referred to in this context as "industrial hemp."~~ means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight or per volume basis regardless of moisture content, and which satisfies the requirements of this chapter.

(9) "Hemp-derived consumable CBD product" means any product meant for ingestion, including but not limited to concentrates, extracts, and cannabis-infused foods and products, which contains cannabidiol derived from a hemp plant as defined in § 2-26-3(8), not including products derived from exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

(7) (10) "Hemp products" or "industrial hemp products" means all products made from the plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-derived consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal, seed oil, and seed certified for cultivation, which satisfy the requirements of this chapter.

(11) "Licensed CBD distributor" means a person licensed to distribute hemp-derived consumable CBD products pursuant to this chapter.

(12) "Licensed CBD retailer" means a person licensed to sell hemp-derived consumable CBD products pursuant to this chapter.

(8) (13) "THC" means tetrahydrocannabinol, the principal psychoactive constituent of cannabis.

(9) (14) "THCA" means tetrahydrocannabinol acid.

2-26-4. Hemp an agricultural product.

Hemp is an agricultural product that may be grown as a crop, produced, possessed, distributed, sold at retail, and commercially traded pursuant to the provisions of this chapter. Hemp is subject to primary regulation by the department. The division may assist the department

1 in the regulation of hemp growth and production.

2 **2-26-5. Authority over licensing and sales.**

3 (a) The department shall promulgate rules and regulations for the licensing and regulation
4 of hemp growers, ~~and~~ handlers, licensed CBD distributors, and licensed CBD retailers and ~~or~~
5 persons ~~otherwise~~ employed by the applicant and shall be responsible for the enforcement of such
6 licensing and regulation.

7 (b) All growers ~~and~~ handlers, ~~and~~ licensed CBD distributors, and licensed CBD retailers
8 must have a hemp license issued by the department.

9 (c) The application for a hemp license shall include, but not be limited to, the following:

10 (1)(i) The name and address of the applicant who will supervise, manage, or direct the
11 growing and handling of hemp and the names and addresses of any person or entity partnering or
12 providing consulting services regarding the growing or handling of hemp- ~~;~~ and

13 (ii) The name and address of the applicant who will supervise, manage, or direct the
14 distribution or sale of hemp-derived consumable CBD products, and names and addresses of any
15 person or entity partnering or providing consulting services regarding the distribution or sale of
16 hemp-derived CBD products.

17 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type
18 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-
19 3(8); any seeds that are obtained from a federal agency are presumed not to exceed the maximum
20 concentration and do not require a certificate of analysis.

21 (3)(i) The location of the facility, including the Global Positioning System location, and
22 other field reference information as may be required by the department with a tracking program
23 and security layout to ensure that all hemp grown is tracked and monitored from seed to
24 distribution outlets- ~~;~~ and

25 (ii) The location of the facility and other information as may be required by the
26 department as to where the distribution or sale of hemp-derived consumable CBD products will
27 occur.

28 (4) An explanation of the seed to sale tracking, cultivation method, extraction method,
29 and certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if
30 required by the department.

31 (5) Verification, prior to planting any seed, that the plant to be grown is of a type and
32 variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of
33 one percent (0.3%) on a dry-weight basis.

34 (6) Documentation that the licensee and/or its agents have entered into a purchase

1 agreement with a hemp handler ~~or~~ processor, distributor or retailer, if required by the department.

2 (7) All applicants:

3 (i) Shall apply to the state police, attorney general, or local law enforcement for a
4 National Criminal Identification records check that shall include fingerprints submitted to the
5 Federal Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in
6 paragraph (iv) and (v), and in accordance with the rules promulgated by the department, the state
7 police shall inform the applicant, in writing, of the nature of the conviction, and the state police
8 shall notify the department, in writing, without disclosing the nature of the conviction, that a
9 conviction has been found;

10 (ii) In those situations in which no conviction has been found, the state police shall
11 inform the applicant and the department, in writing, of this fact;

12 (iii) All applicants shall be responsible for any expense associated with the criminal
13 background check with fingerprints.

14 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title
15 21, or any person who has been convicted of murder, manslaughter, first-degree sexual assault,
16 second-degree sexual assault, first-degree child molestation, second-degree child molestation,
17 kidnapping, first-degree arson, second-degree arson, mayhem, robbery, burglary, breaking and
18 entering, assault with a dangerous weapon, or any assault and battery punishable as a felony or
19 assault with intent to commit any offense punishable as a felony, shall be disqualified from
20 holding any license or permit under this chapter. The department shall notify any applicant, in
21 writing, of ~~for~~ a denial of a license pursuant to this subsection.

22 (v) For purposes of this section, "conviction" means, in addition to judgments of
23 conviction entered by a court subsequent to a finding of guilty, or plea of guilty, those instances
24 where the defendant has entered a plea of nolo contendere and has received a jail sentence or a
25 suspended jail sentence, or those instances wherein the defendant has entered into a deferred
26 sentence agreement with the Rhode Island attorney general and the period of deferment has not
27 been completed.

28 (8) Any other information as set forth in rules and regulations as required by the
29 department.

30 ~~(d) All employees of the applicant shall register with the Rhode Island state police.~~

31 ~~(e)~~ (d) The department shall issue a hemp license to the grower or handler applicant if he,
32 she, or it meets the requirements of this chapter, upon the applicant paying a licensure fee of two
33 thousand five hundred dollars (\$2,500). Said license shall be renewed every two (2) years upon
34 payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any licensee convicted of

1 any disqualifying offense described in subsection (c)(7)(iv) shall have his, her, or its license
2 revoked. All license fees shall be directed to the department to help defray the cost of
3 enforcement. The department shall collect a nonrefundable application fee of two hundred fifty
4 dollars (\$250) for each application to obtain a license.

5 (e) Any grower or handler license applicant or license holder may also apply for, and be
6 issued a CBD distributor and/or CBD retailer license at no additional cost provided their grower
7 or handler license is issued or renewed. CBD distributor and CBD retailer licenses shall be
8 renewed each year at no additional fee provided the applicant also holds or renews a grower
9 and/or handler license.

10 (f) For applicants who do not hold, renew, or receive a grower or handler license, CBD
11 handler and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500). Said
12 licenses shall be renewed each year upon approval by the department and payment of a five
13 hundred dollars (\$500) renewal fee.

14 **2-26-6. Rulemaking authority.**

15 (a) The department shall adopt rules to provide for the implementation of this chapter,
16 which shall include rules to require hemp to be tested during growth for THC levels and to
17 require inspection of hemp during sowing, growing season, harvest, storage, and processing.
18 Included in these rules should be a system requiring the licensee to submit crop samples to an
19 approved testing facility, as determined by the department for testing and verification of
20 compliance with the limits on delta-9 THC concentration.

21 (b) The department shall adopt rules and regulations for all operational requirements for
22 licensed growers, handlers, CBD distributors and retailers.

23 ~~(b)~~ (c) The department shall not adopt under this or any other section, a rule that would
24 prohibit a person or entity to grow, ~~or~~ distribute or sell hemp based solely on the legal status of
25 hemp under federal law.

26 (d) The department may adopt rules and regulations based on federal law provided those
27 rules and regulations are designed to comply with federal guidance and mitigate federal
28 enforcement against the licenses issued under this chapter.

29 **2-26-7. ~~Registration~~ Licensure.**

30 (a) Except as provided in this section, beginning sixty (60) days after the effective date of
31 this chapter, the department shall accept the application for licensure to cultivate hemp submitted
32 by the applicant.

33 (b) A person or entity ~~registered with~~ licensed by the department pursuant to this chapter
34 shall allow hemp crops, throughout sowing, year-long growing seasons, harvest storage, and

1 processing, to be inspected and tested by and at the discretion of the department.

2 SECTION 2. Chapter 2-26 of the General Laws entitled "Hemp Growth Act" is hereby
3 amended by adding thereto the following Sections 2-26-10; 2-26-11 and 2-26-12:

4 **2-26-10. Tax obligations; enforcement.**

5 Licensees under this chapter shall comply with provisions of chapter 44-49.1 of the
6 general laws, and upon the failure of a licensee to comply with its obligations under chapter 44-
7 49.1 the department may revoke or suspend a license upon the request of the tax administrator.

8 **2-26-11. Enforcement of violations of chapter.**

9 (a) (1) Notwithstanding any other provision of this chapter, if the director of the
10 department or his or her designee has cause to believe that a violation of any provision of this
11 chapter 2-26 or any regulations promulgated hereunder has occurred by a licensee that is under
12 the department's jurisdiction pursuant to this chapter, or that any person or entity is conducting
13 any activities requiring licensure by the department under this chapter or the regulations
14 promulgated hereunder without such licensure, the director or his or her designee may, in
15 accordance with the requirements of the administrative procedures act, chapter 35 of title 42:

16 (i) Revoke or suspend a license;

17 (ii) Levy an administrative penalty in an amount established pursuant to regulations
18 promulgated by the department ;

19 (iii) Order the violator to cease and desist such actions;

20 (iv) Require a licensee or person or entity conducting any activities requiring licensure
21 under this chapter 2-26 to take such actions as are necessary to comply with such chapter and the
22 regulations promulgated thereunder; or

23 (v) Any combination of the above penalties.

24 (2) If the director of the department finds that public health, safety, or welfare requires
25 emergency action, and incorporates a finding to that effect in his or her order, summary
26 suspension of license and/or cease and desist may be ordered pending proceedings for revocation
27 or other action. These proceedings shall be promptly instituted and determined.

28 **21-26-12. Revenue.**

29 There is created within the general fund a restricted receipt account to be known as the
30 "industrial hemp licensing" or "industrial hemp licensing program" account. Fees collected
31 pursuant to this chapter shall be deposited into this account and be used to finance costs of
32 administering this chapter, including but not limited to licensing, inspections, and enforcement.
33 The restricted receipt account will be housed within the budgets of the departments of business
34 regulation, health, revenue and public safety, and the executive office of health and human

1 [services. All amounts deposited into the industrial hemp licensing account shall be exempt from](#)
2 [the indirect cost recovery provisions of § 35-4-27.](#)

3 SECTION 3. Section 21-28-1.02 of the General Laws in Chapter 21-28 entitled "Uniform
4 Controlled Substances Act" is hereby amended to read as follows:

5 **21-28-1.02. Definitions. [Effective until January 1, 2023.]**

6 Unless the context otherwise requires, the words and phrases as defined in this section are
7 used in this chapter in the sense given them in the following definitions:

8 (1) "Administer" refers to the direct application of controlled substances to the body of a
9 patient or research subject by:

10 (i) A practitioner, or, in his or her presence by his or her authorized agent; or

11 (ii) The patient or research subject at the direction and in the presence of the practitioner
12 whether the application is by injection, inhalation, ingestion, or any other means.

13 (2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a
14 manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a
15 common or contract carrier or warehouse operator, when acting in the usual and lawful course of
16 the carrier's or warehouse operator's business.

17 (3) "Apothecary" means a registered pharmacist as defined by the laws of this state and,
18 where the context requires, the owner of a licensed pharmacy or other place of business where
19 controlled substances are compounded or dispensed by a registered pharmacist; and includes
20 registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
21 construed as conferring on a person who is not registered as a pharmacist any authority, right, or
22 privilege that is not granted to him or her by the pharmacy laws of the state.

23 (4) "Automated data processing system" means a system utilizing computer software and
24 hardware for the purposes of record keeping.

25 (5) "Certified law enforcement prescription drug diversion investigator" means a certified
26 law enforcement officer assigned by his or her qualified law enforcement agency to investigate
27 prescription drug diversion.

28 (6) "Computer" means programmable electronic device capable of multi-functions,
29 including, but not limited to: storage, retrieval, and processing of information.

30 (7) "Control" means to add a drug or other substance or immediate precursor to a
31 schedule under this chapter, whether by transfer from another schedule or otherwise.

32 (8) "Controlled substance" means a drug, substance, immediate precursor, or synthetic
33 drug in schedules I -- V of this chapter. The term shall not include distilled spirits, wine, or malt
34 beverages, as those terms are defined or used in chapter 1 of title 3, nor tobacco.

1 (9) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
2 prescription for an opioid analgesic.

3 (10) "Counterfeit substance" means a controlled substance that, or the container or
4 labeling of which, without authorization bears the trademark, trade name, or other identifying
5 mark, imprint, number, or device, or any likeness of them, of a manufacturer, distributor, or
6 dispenser, other than the person or persons who in fact manufactured, distributed, or dispensed
7 the substance and that thereby falsely purports or is represented to be the product of, or to have
8 been distributed by, the other manufacturer, distributor, or dispenser, or which substance is
9 falsely purported to be or represented to be one of the controlled substances by a manufacturer,
10 distributor, or dispenser.

11 (11) "CRT" means cathode ray tube used to impose visual information on a screen.

12 (12) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
13 controlled substance or imitation controlled substance, whether or not there exists an agency
14 relationship.

15 (13) "Department" means the department of health of this state.

16 (14) "Depressant or stimulant drug" means:

17 (i) A drug that contains any quantity of:

18 (A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric
19 acid; and

20 (B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs,
21 whether or not derivatives of barbituric acid, except that this definition shall not include bromides
22 and narcotics.

23 (ii) A drug that contains any quantity of:

24 (A) Amphetamine or any of its optical isomers;

25 (B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of
26 amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.

27 (iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or
28 any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except
29 derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which
30 cocaine or ecgonine may be synthesized or made.

31 (iv) Any other drug or substance that contains any quantity of a substance that the
32 attorney general of the United States, or the director of health, after investigation, has found to
33 have, or by regulation designates as having, a potential for abuse because of its depressant or
34 stimulant effect on the central nervous system.

1 (15) "Director" means the director of health.

2 (16) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a
3 controlled substance to the ultimate user or human research subject by or pursuant to the lawful
4 order of a practitioner, including the packaging, labeling, or compounding necessary to prepare
5 the substance for that delivery.

6 (17) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user
7 or human research subject.

8 (18) "Distribute" means to deliver (other than by administering or dispensing) a
9 controlled substance or an imitation controlled substance and includes actual constructive, or
10 attempted transfer. "Distributor" means a person who so delivers a controlled substance or an
11 imitation controlled substance.

12 (19) "Downtime" means that period of time when a computer is not operable.

13 (20) "Drug addicted person" means a person who exhibits a maladaptive pattern of
14 behavior resulting from drug use, including one or more of the following: impaired control over
15 drug use; compulsive use; and/or continued use despite harm, and craving.

16 (21) "Drug Enforcement Administration" means the Drug Enforcement Administration
17 United States Department of Justice or its successor.

18 (22) "Federal law" means the Comprehensive Drug Abuse Prevention and Control Act of
19 1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that
20 federal act.

21 (23) "Hardware" means the fixed component parts of a computer.

22 (24) "Hospital" means an institution as defined in chapter 17 of title 23.

23 (25) "Imitation controlled substance" means a substance that is not a controlled
24 substance, that by dosage unit, appearance (including color, shape, size, and markings), or by
25 representations made, would lead a reasonable person to believe that the substance is a controlled
26 substance and, which imitation controlled substances contain substances that if ingested, could be
27 injurious to the health of a person. In those cases when the appearance of the dosage unit is not
28 reasonably sufficient to establish that the substance is an "imitation controlled substance" (for
29 example in the case of powder or liquid), the court or authority concerned should consider, in
30 addition to all other logically relevant factors, the following factors as related to "representations
31 made" in determining whether the substance is an "imitation controlled substance":

32 (i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in
33 control of the substance concerning the nature of the substance, or its use or effect.

34 (ii) Statements made by the owner, possessor, or transferor, to the recipient that the

1 substance may be resold for substantial profit.

2 (iii) Whether the substance is packaged in a manner reasonably similar to packaging of
3 illicit controlled substances.

4 (iv) Whether the distribution or attempted distribution included an exchange of or
5 demand for money or other property as consideration, and whether the amount of the
6 consideration was substantially greater than the reasonable value of the non-controlled substance.

7 (26) "Immediate precursor" means a substance:

8 (i) That the director of health has found to be and by regulation designated as being the
9 principal compound used, or produced primarily for use, in the manufacture of a controlled
10 substance;

11 (ii) That is an immediate chemical intermediary used or likely to be used in the
12 manufacture of those controlled substances; and

13 (iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that
14 controlled substance.

15 (27) "Laboratory" means a laboratory approved by the department of health as proper to
16 be entrusted with controlled substances and the use of controlled substances for scientific and
17 medical purposes and for the purposes of instruction.

18 (28) "Manufacture" means the production, preparation, propagation, cultivation,
19 compounding, or processing of a drug or other substance, including an imitation controlled
20 substance, either directly or indirectly or by extraction from substances of natural origin, or
21 independently by means of chemical synthesis or by a combination of extraction and chemical
22 synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of
23 its container in conformity with the general laws of this state except by a practitioner as an
24 incident to his or her administration or dispensing of the drug or substance in the course of his or
25 her professional practice.

26 (29) "Manufacturer" means a person who manufactures but does not include an
27 apothecary who compounds controlled substances to be sold or dispensed on prescriptions.

28 (30) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
29 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
30 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
31 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
32 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
33 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
34 plant which is incapable of germination. [Marijuana shall not include "industrial hemp" or](#)

[industrial hemp products” which satisfy the requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.](#)

(31) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis:

(i) Opium and opiates.

(ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.

(iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it) that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this subdivision.

(iv) Any other substance that the attorney general of the United States, or his or her successor, or the director of health, after investigation, has found to have, and by regulation designates as having, a potential for abuse similar to opium and opiates.

(32) "Official written order" means an order written on a form provided for that purpose by the Drug Enforcement Administration under any laws of the United States making provision for an official form, if order forms are authorized and required by federal law, and if no order form is provided then on an official form provided for that purpose by the director of health.

(33) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability.

(34) "Opioid analgesics" means and includes, but is not limited to, the medicines buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine, methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well as their brand names, isomers, and combinations, or other medications approved by the department.

(35) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by the United States Food and Drug Administration for the treatment of opioid overdose.

(36) "Opium poppy" means the plant of the species *papaver somniferum* L., except the seeds of the plant.

(37) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a fluid ounce as applied to liquids.

(38) "Person" means any corporation, association, partnership, or one or more individuals.

(39) "Physical dependence" means a state of adaptation that is manifested by a drug class

specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction, decreasing blood level of the drug, and/or administration of an antagonist.

(40) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

(41) "Practitioner" means:

(i) A physician, osteopath, dentist, chiropractist, veterinarian, scientific investigator, or other person licensed, registered or permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

(ii) A pharmacy, hospital, or other institution licensed, registered or permitted to distribute, dispense, conduct research with respect to, or to administer a controlled substance in the course of professional practice or research in this state.

(42) "Printout" means a hard copy produced by computer that is readable without the aid of any special device.

(43) "Production" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled substance.

(44) "Qualified law enforcement agency" means the U.S. Food and Drug Administration, Drug Enforcement Administration, Federal Bureau of Investigation, Office of Inspector General of the U.S. Department of Health & Human Services, or the Medicaid Fraud and Patient Abuse Unit in the Office of the Attorney General.

(45) "Researcher" means a person authorized by the director of health to conduct a laboratory as defined in this chapter.

(46) "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to offer or agree to do the same.

(47) "Software" means programs, procedures and storage of required information data.

(48) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic cathinones as provided for in schedule I.

(49) "Ultimate user" means a person who lawfully possesses a controlled substance for his or her own use or for the use of a member of his or her household, or for administering to an animal owned by him or her or by a member of his or her household.

(50) "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a jobber, broker agent, or distributor, or for resale in any manner in this state any controlled substance.

21-28-1.02. Definitions. [Effective January 1, 2023.]

Unless the context otherwise requires, the words and phrases as defined in this section are

1 used in this chapter in the sense given them in the following definitions:

2 (1) "Administer" refers to the direct application of controlled substances to the body of a
3 patient or research subject by:

4 (i) A practitioner, or, in his or her presence by his or her authorized agent; or

5 (ii) The patient or research subject at the direction and in the presence of the practitioner
6 whether the application is by injection, inhalation, ingestion, or any other means.

7 (2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a
8 manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a
9 common or contract carrier or warehouse operator, when acting in the usual and lawful course of
10 the carrier's or warehouse operator's business.

11 (3) "Apothecary" means a registered pharmacist as defined by the laws of this state and,
12 where the context requires, the owner of a licensed pharmacy or other place of business where
13 controlled substances are compounded or dispensed by a registered pharmacist; and includes
14 registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
15 construed as conferring on a person who is not registered as a pharmacist any authority, right, or
16 privilege that is not granted to him or her by the pharmacy laws of the state.

17 (4) "Automated data processing system" means a system utilizing computer software and
18 hardware for the purposes of record keeping.

19 (5) "Computer" means programmable electronic device capable of multi-functions,
20 including, but not limited to: storage, retrieval, and processing of information.

21 (6) "Control" means to add a drug or other substance or immediate precursor to a
22 schedule under this chapter, whether by transfer from another schedule or otherwise.

23 (7) "Controlled substance" means a drug, substance, immediate precursor, or synthetic
24 drug in schedules I -- V of this chapter. The term shall not include distilled spirits, wine, or malt
25 beverages, as those terms are defined or used in chapter 1 of title 3, nor tobacco.

26 (8) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
27 prescription for an opioid analgesic.

28 (9) "Counterfeit substance" means a controlled substance that, or the container or labeling
29 of which, without authorization bears the trademark, trade name, or other identifying mark,
30 imprint, number, or device, or any likeness of them, of a manufacturer, distributor, or dispenser,
31 other than the person or persons who in fact manufactured, distributed, or dispensed the substance
32 and that thereby falsely purports or is represented to be the product of, or to have been distributed
33 by, the other manufacturer, distributor, or dispenser, or which substance is falsely purported to be
34 or represented to be one of the controlled substances by a manufacturer, distributor, or dispenser.

1 (10) "CRT" means cathode ray tube used to impose visual information on a screen.

2 (11) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
3 controlled substance or imitation controlled substance, whether or not there exists an agency
4 relationship.

5 (12) "Department" means the department of health of this state.

6 (13) "Depressant or stimulant drug" means:

7 (i) A drug that contains any quantity of:

8 (A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric
9 acid; and

10 (B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs,
11 whether or not derivatives of barbituric acid, except that this definition shall not include bromides
12 and narcotics.

13 (ii) A drug that contains any quantity of:

14 (A) Amphetamine or any of its optical isomers;

15 (B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of
16 amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.

17 (iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or
18 any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except
19 derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which
20 cocaine or ecgonine may be synthesized or made.

21 (iv) Any other drug or substance that contains any quantity of a substance that the
22 attorney general of the United States, or the director of health, after investigation, has found to
23 have, or by regulation designates as having, a potential for abuse because of its depressant or
24 stimulant effect on the central nervous system.

25 (14) "Director" means the director of health.

26 (15) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a
27 controlled substance to the ultimate user or human research subject by or pursuant to the lawful
28 order of a practitioner, including the packaging, labeling, or compounding necessary to prepare
29 the substance for that delivery.

30 (16) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user
31 or human research subject.

32 (17) "Distribute" means to deliver (other than by administering or dispensing) a
33 controlled substance or an imitation controlled substance and includes actual constructive, or
34 attempted transfer. "Distributor" means a person who so delivers a controlled substance or an

1 imitation controlled substance.

2 (18) "Downtime" means that period of time when a computer is not operable.

3 (19) "Drug addicted person" means a person who exhibits a maladaptive pattern of
4 behavior resulting from drug use, including one or more of the following: impaired control over
5 drug use; compulsive use; and/or continued use despite harm, and craving.

6 (20) "Drug Enforcement Administration" means the Drug Enforcement Administration
7 United States Department of Justice or its successor.

8 (21) "Federal law" means the Comprehensive Drug Abuse Prevention and Control Act of
9 1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that
10 federal act.

11 (22) "Hardware" means the fixed component parts of a computer.

12 (23) "Hospital" means an institution as defined in chapter 17 of title 23.

13 (24) "Imitation controlled substance" means a substance that is not a controlled
14 substance, that by dosage unit, appearance (including color, shape, size, and markings), or by
15 representations made, would lead a reasonable person to believe that the substance is a controlled
16 substance and, which imitation controlled substances contain substances that if ingested, could be
17 injurious to the health of a person. In those cases when the appearance of the dosage unit is not
18 reasonably sufficient to establish that the substance is an "imitation controlled substance" (for
19 example in the case of powder or liquid), the court or authority concerned should consider, in
20 addition to all other logically relevant factors, the following factors as related to "representations
21 made" in determining whether the substance is an "imitation controlled substance":

22 (i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in
23 control of the substance concerning the nature of the substance, or its use or effect.

24 (ii) Statements made by the owner, possessor, or transferor, to the recipient that the
25 substance may be resold for substantial profit.

26 (iii) Whether the substance is packaged in a manner reasonably similar to packaging of
27 illicit controlled substances.

28 (iv) Whether the distribution or attempted distribution included an exchange of or
29 demand for money or other property as consideration, and whether the amount of the
30 consideration was substantially greater than the reasonable value of the non-controlled substance.

31 (25) "Immediate precursor" means a substance:

32 (i) That the director of health has found to be and by regulation designated as being the
33 principal compound used, or produced primarily for use, in the manufacture of a controlled
34 substance;

1 (ii) That is an immediate chemical intermediary used or likely to be used in the
2 manufacture of those controlled substances; and

3 (iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that
4 controlled substance.

5 (26) "Laboratory" means a laboratory approved by the department of health as proper to
6 be entrusted with controlled substances and the use of controlled substances for scientific and
7 medical purposes and for the purposes of instruction.

8 (27) "Manufacture" means the production, preparation, propagation, cultivation,
9 compounding, or processing of a drug or other substance, including an imitation controlled
10 substance, either directly or indirectly or by extraction from substances of natural origin, or
11 independently by means of chemical synthesis or by a combination of extraction and chemical
12 synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of
13 its container in conformity with the general laws of this state except by a practitioner as an
14 incident to his or her administration or dispensing of the drug or substance in the course of his or
15 her professional practice.

16 (28) "Manufacturer" means a person who manufactures but does not include an
17 apothecary who compounds controlled substances to be sold or dispensed on prescriptions.

18 (29) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
19 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
20 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
21 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
22 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
23 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
24 plant which is incapable of germination. [Marijuana shall not include "industrial hemp" or](#)
25 [industrial hemp products" which satisfy the requirements of chapter 2-26 of the general laws and](#)
26 [the regulations promulgated thereunder.](#)

27 (30) "Narcotic drug" means any of the following, whether produced directly or indirectly
28 by extraction from substances of vegetable origin, or independently by means of chemical
29 synthesis or by a combination of extraction and chemical synthesis:

30 (i) Opium and opiates.

31 (ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.

32 (iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it)
33 that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this
34 subdivision.

1 (iv) Any other substance that the attorney general of the United States, or his or her
2 successor, or the director of health, after investigation, has found to have, and by regulation
3 designates as having, a potential for abuse similar to opium and opiates.

4 (31) "Official written order" means an order written on a form provided for that purpose
5 by the Drug Enforcement Administration under any laws of the United States making provision
6 for an official form, if order forms are authorized and required by federal law, and if no order
7 form is provided then on an official form provided for that purpose by the director of health.

8 (32) "Opiate" means any substance having an addiction-forming or addiction-sustaining
9 liability similar to morphine or being capable of conversion into a drug having addiction-forming
10 or addiction-sustaining liability.

11 (33) "Opioid analgesics" means and includes, but is not limited to, the medicines
12 buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine,
13 methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well
14 as their brand names, isomers, and combinations, or other medications approved by the
15 department.

16 (34) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by
17 the United States Food and Drug Administration for the treatment of opioid overdose.

18 (35) "Opium poppy" means the plant of the species *papaver somniferum* L., except the
19 seeds of the plant.

20 (36) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a
21 fluid ounce as applied to liquids.

22 (37) "Person" means any corporation, association, partnership, or one or more
23 individuals.

24 (38) "Physical dependence" means a state of adaptation that is manifested by a drug class
25 specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction,
26 decreasing blood level of the drug, and/or administration of an antagonist.

27 (39) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

28 (40) "Practitioner" means:

29 (i)(ii) A physician, osteopath, dentist, chiropractist, veterinarian, scientific investigator, or
30 other person licensed, registered or permitted to distribute, dispense, conduct research with
31 respect to or to administer a controlled substance in the course of professional practice or research
32 in this state.

33 (41) "Printout" means a hard copy produced by computer that is readable without the aid
34 of any special device.

1 (42) "Production" includes the manufacture, planting, cultivation, growing, or harvesting
2 of a controlled substance.

3 (43) "Researcher" means a person authorized by the director of health to conduct a
4 laboratory as defined in this chapter.

5 (44) "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to
6 offer or agree to do the same.

7 (45) "Software" means programs, procedures and storage of required information data.

8 (46) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic
9 cathinones as provided for in schedule I.

10 (47) "Ultimate user" means a person who lawfully possesses a controlled substance for
11 his or her own use or for the use of a member of his or her household, or for administering to an
12 animal owned by him or her or by a member of his or her household.

13 (48) "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a
14 jobber, broker agent, or distributor, or for resale in any manner in this state any controlled
15 substance.

16 SECTION 4. Section 21-28.5-2 of the General Laws in Chapter 21-28.5 entitled "Sale of
17 Drug Paraphernalia" is hereby amended to read as follows:

18 **21-28.5-2. Manufacture or delivery of drug paraphernalia -- Penalty.**

19 It is unlawful for any person to deliver, sell, possess with intent to deliver, or sell, or
20 manufacture with intent to deliver, or sell drug paraphernalia, knowing that it will be used to
21 plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process,
22 prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or introduce into
23 the human body a controlled substance in violation of chapter 28 of this title. A violation of this
24 section shall be punishable by a fine not exceeding five thousand dollars (\$5,000) or
25 imprisonment not exceeding two (2) years, or both.

26 [Notwithstanding any other provision of the general laws, the sale, manufacture, or](#)
27 [delivery of drug paraphernalia to a person acting in accordance with chapters 21-28.6, 21-28.10,](#)
28 [or 21-28.11 of the general laws shall not be considered a violation of this chapter.](#)

29 SECTION 5. Sections 21-28.6-3, 21-28.6-4, 21-28.6-5, 21-28.6-6, 21-28.6-7, 21-28.6-8,
30 21-28.6-9, 21-28.6-12, 21-28.6-14, 21-28.6-15, 21-28.6-16, 21-28.6-16.2, 21-28.6-16.3, and 21-
31 28.6-17 of the General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and Thomas
32 C. Slater Medical Marijuana Act" are hereby amended as follows:

33 **21-28.6-3. Definitions.**

34 For the purposes of this chapter:

1 (1) "Authorized purchaser" means a natural person who is at least twenty-one (21) years
2 old and who is registered with the department of health for the purposes of assisting a qualifying
3 patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no
4 more than one patient, and is prohibited from consuming marijuana obtained for the use of the
5 qualifying patient. An authorized purchaser shall be registered with the department of health and
6 shall possess a valid registry identification card.

7 (2) "Cannabis" means all parts of the plant of the genus marijuana, also known as
8 marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any
9 part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation
10 of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency
11 including "marijuana", and "industrial hemp" or "industrial hemp products" which satisfy the
12 requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.

13 ~~(15)~~(3) ~~"Medical-marijuana Cannabis~~ testing laboratory" means a third-party analytical
14 testing laboratory licensed by the department of health, in coordination with the department of
15 business regulation, to collect and test samples of cannabis marijuana pursuant to regulations
16 promulgated by the departments.

17 ~~(2)~~(4) "Cardholder" means a person who has been registered or licensed with the
18 department of health or the department of business regulation pursuant to this chapter and
19 possesses a valid registry identification card or license.

20 ~~(3)~~(5) "Commercial unit" means a building, ~~office, suite, or room~~ other space within a
21 commercial or industrial building as authorized by the department of business regulation, for use
22 by one business or person and is rented or owned by that business or person.

23 (4)(i) "Compassion center" means a not-for-profit corporation, subject to the provisions
24 of chapter 6 of title 7, and registered under § 21-28.6-12, that acquires, possesses, ~~cultivates,~~
25 ~~manufactures,~~ delivers, transfers, transports, supplies, or dispenses marijuana, and/or related
26 supplies and educational materials, to patient cardholders and/or their registered caregiver
27 cardholder or authorized purchaser in accordance with regulations promulgated by the department
28 of business regulation.

29 (ii) "Compassion center cardholder" means a principal officer, board member, employee,
30 volunteer, or agent of a compassion center who has registered with the ~~department of health or~~
31 ~~the~~ department of business regulation and has been issued and possesses a valid, registry
32 identification card.

33 ~~(5)~~(7) "Debilitating medical condition" means:

34 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired

immune deficiency syndrome, Hepatitis C, post-traumatic stress disorder, or the treatment of these conditions;

(ii) A chronic or debilitating disease or medical condition, or its treatment, that produces one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain; severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe and persistent muscle spasms, including but not limited to, those characteristic of multiple sclerosis or Crohn's disease; or agitation of Alzheimer's Disease; or

(iii) Any other medical condition or its treatment approved by the department of health, as provided for in § 21-28.6-5.

~~(6)~~(8) "Department of business regulation" means the Rhode Island department of business regulation or its successor agency.

~~(7)~~(9) "Department of health" means the Rhode Island department of health or its successor agency.

~~(8)~~(10) "Department of public safety" means the Rhode Island department of public safety or its successor agency.

~~(9)~~(11) "Dried, ~~useable~~ marijuana" means the dried leaves and flowers of the marijuana plant as defined by regulations promulgated by the departments of ~~health~~ business regulation.

~~(10)~~(12) "Dwelling unit" means the room, or group of rooms, within a residential dwelling used or intended for use by one family or household, or by no more than three (3) unrelated individuals, with facilities for living, sleeping, sanitation, cooking, and eating.

~~(11)~~(13) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible, concentrated, or any other form, found to be equal to a portion of dried, ~~usable~~ marijuana, as defined by regulations promulgated by the departments of ~~health and~~ business regulation.

(14) "Immature marijuana plant" means a marijuana plant, rooted or unrooted, with no observable flowers or buds.

~~(12)~~(15) "Licensed medical marijuana cultivator" means a person or entity, as identified in § 43-3-6, who has been licensed by the department of business regulation to cultivate medical marijuana pursuant to § 21-28.6-16.

(16) "Licensed medical marijuana processor" means a person or entity, as identified in § 43-3-6, who has been licensed by the department of business regulation to manufacture medical marijuana products and/or process medical marijuana products pursuant to § 21-28.6-16.1.

~~(13)~~(17) "Marijuana" has the meaning given that term in § 21-28-1.02(30).

(18) "Marijuana establishment licensee" means any person or entity licensed by the department of business regulation under chapters 21-28.6 or 21-28.11 whose license permits it to

engage in or conduct activities in connection with the medical marijuana program or adult use marijuana industry. "Marijuana establishment licensees" shall include but not be limited to, compassion centers, medical marijuana cultivators, medical marijuana processors, marijuana retailers, marijuana cultivators, marijuana processors, cannabis testing laboratories, and the holder of any other license issued by the department of business regulation under chapters 21-28.6 or 21-28.11 of the Rhode Island General Laws and/or as specified and defined in regulations promulgated by the department of business regulation.

~~(14)~~(19) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are readily observable by an unaided visual examination.

(20) "Medical marijuana emporium" means any establishment, facility or club, whether operated for-profit or nonprofit, or any commercial unit or other premises as further defined through regulations promulgated by the department of business regulation, at which the sale, distribution, transfer or use of medical marijuana or medical marijuana products is proposed and/or occurs to, by or among registered patients, registered caregivers, authorized purchaser cardholders or other persons as further defined through regulations promulgated by the department of business regulation. This shall not include a compassion center regulated and licensed by the department of business regulation pursuant to the terms of this chapter.

(21) "Medical marijuana plant tag set" or "plant tag" means any tag, identifier, registration, certificate, or inventory tracking system authorized or issued by the department or which the department requires be used for the lawful possession and cultivation of medical marijuana plants in accordance with this chapter.

~~(16)~~(22) "Medical use" means the acquisition, possession, cultivation, manufacture, use, delivery, transfer, or transportation of marijuana or paraphernalia relating to the consumption of marijuana to alleviate a patient cardholder's debilitating medical condition or symptoms associated with the medical condition in accordance with the provisions of this chapter.

~~(17)~~(23) Practitioner" means a person who is licensed with authority to prescribe drugs pursuant to chapters 34, 37, and 54 of title 5 ~~or a physician licensed with authority to prescribe drugs in Massachusetts or Connecticut,~~ who may provide a qualifying patient with a written certification in accordance with regulations promulgated by the department of health.

~~(18)~~(24) "Primary caregiver" means a natural person who is at least twenty-one (21) years old who is registered under this chapter in order to, and who ~~A primary caregiver~~ may, assist one (1) qualifying patient, or upon a demonstration of need in accordance with regulations promulgated by the department of business regulation, up to but no more than five (5) qualifying patients ~~s~~ with their medical use of marijuana in accordance with regulations promulgated by the

department of business regulation, provided that a qualified patient may also serve as their own primary caregiver subject to the registration and requirements set forth in § 21-28.6-4 and any regulations promulgated thereunder.

~~(19)~~(25) "Qualifying patient" means a person who has been ~~diagnosed~~ certified by a practitioner as having a debilitating medical condition and is a resident of Rhode Island.

~~(20)~~(26) Registry identification card" means a document issued by the department of health or the department of business regulation, as applicable, that identifies a person as a registered qualifying patient, a registered primary caregiver, or authorized purchaser, or a document issued by the department of business regulation or department of health that identifies a person as a registered principal officer, board member, employee, volunteer, or agent of a compassion center, licensed medical marijuana cultivator, medical marijuana processor, cannabis testing lab, or any other medical marijuana licensee or marijuana establishment.

~~(21) "Seedling" means a marijuana plant with no observable flowers or buds.~~

~~(22)~~(27) "Unusable marijuana" means marijuana seeds, stalks, ~~seedlings~~ and unusable roots and shall not count towards any weight based possession limits established in the act.

~~(23)~~(28) "Usable marijuana" means the ~~dried~~ leaves and flowers of the marijuana plant, and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.

~~(24)~~(29) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant before they have reached a dry ~~useable~~ state, as defined by regulations promulgated by the departments of ~~health and~~ business regulation.

~~(25)~~(30) "Written certification" means ~~the qualifying patient's medical records, and~~ a statement signed by a practitioner, stating that, in the practitioner's professional opinion, the potential benefits of the medical use of marijuana would likely outweigh the health risks for the qualifying patient. A written certification shall be made only in the course of a bona fide, practitioner-patient relationship after the practitioner has completed a full assessment of the qualifying patient's medical history. The written certification shall specify the qualifying patient's debilitating medical condition or conditions and include any other information required by regulations promulgated by the department of health which may include the qualifying patient's medical records.

21-28.6-4. Protections for the medical use of marijuana.

(a) A qualifying patient cardholder who has in his or her possession a registry identification card shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a

business or occupational or professional licensing board or bureau, solely for the medical use of marijuana; provided;

(1) Before July 1, 2019, tThe qualifying patient cardholder possesses an amount of marijuana that does not exceed twelve (12) mature marijuana plants and twelve (12) immature marijuana plants that are accompanied by valid medical marijuana tags (provided that if a qualifying patient cardholder has valid medical marijuana tags that were ordered and issued prior to July 1, 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant possession limits set forth in this subsection shall apply to such qualifying patient until the expiration date of the issued tags), ~~two-and-one-half (2.5)~~ three (3) ounces of ~~dried usable~~ marijuana, or its equivalent amount, and an amount of wet marijuana to be set by regulations promulgated by the departments of ~~health-and~~ business regulation. Said plants shall be stored in an indoor facility.

Marijuana plants and the marijuana they produce shall only be grown, stored, manufactured, and processed in accordance with regulations promulgated by the department of business regulation; and

(2) On and after July 1, 2019, the qualifying patient cardholder possesses an amount of marijuana that does not exceed six (6) mature marijuana plants and six (6) immature marijuana plants that are accompanied by valid medical marijuana tags (provided that if a qualifying patient cardholder has valid medical marijuana tags that were ordered and issued prior to July 1, 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant possession limits set forth in subsection (1) above shall apply to such qualifying patient until the expiration date of the issued tags), three (3) ounces of dried marijuana, or its equivalent amount, and an amount of wet marijuana to be set by regulations promulgated by the department of business regulation. Said plants shall be stored in an indoor facility. Marijuana plants and the marijuana they produce shall be grown, stored, manufactured, and processed in accordance with regulations promulgated by the department of business regulation and;

(3) On and after July 1, 2019, in order to lawfully possess and grow marijuana plants, a qualifying patient cardholder, prior to applying for, or renewing medical marijuana plant grow tags, must first apply for and be issued a caregiver registration card by the department of business regulation. The department of business regulation may issue a caregiver registration card and plant tags to any qualified patient cardholder who qualifies to serve as their own caregiver through a demonstration of need in accordance with regulations promulgated by the department of business regulation.

(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)~~ three (3) ounces of dried ~~usable~~ marijuana, or its equivalent amount, and this
6 marijuana was purchased legally from a compassion center for the use of their designated
7 qualifying patient.

8 (c) A qualifying patient cardholder, who has in his or her possession a registry
9 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
10 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
11 business or occupational or professional licensing board or bureau, for selling, giving, or
12 distributing, on or before December 31, 2016, to a compassion center cardholder, marijuana of
13 the type, and in an amount not to exceed, that set forth in subsection (a), that he or she has
14 cultivated or manufactured pursuant to this chapter.

15 (d) No school, employer, or landlord may refuse to enroll, employ, or lease to, or
16 otherwise penalize, a person solely for his or her status as a cardholder. Provided, however, due to
17 the safety and welfare concern for other tenants, the property, and the public, as a whole, a
18 landlord may have the discretion not to lease, or continue to lease, to a cardholder who cultivates,
19 manufactures, processes, smokes, or vaporizes marijuana in the leased premises.

20 (e) A primary caregiver cardholder, who has in his or her possession a registry
21 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
22 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
23 business or occupational or professional licensing board or bureau, for assisting a patient
24 cardholder, to whom he or she is connected through the department of health or department of
25 business regulation's registration process, with the medical use of marijuana; provided, that;

26 (1)Before July 1, 2019, the primary caregiver cardholder possesses an amount of
27 marijuana that does not exceed twelve (12) mature marijuana plants and twelve (12) immature
28 marijuana plants that are accompanied by valid medical marijuana tags (provided that if a primary
29 caregiver cardholder has valid medical marijuana tags that were ordered and processed prior to
30 July 1, 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant
31 possession limits set forth in this subsection shall apply to such primary caregiver until the
32 expiration date of the issued tags), ~~two and one-half (2.5)~~ three (3) ounces of dried ~~usable~~
33 marijuana, or its equivalent amount, and an amount of wet marijuana set in regulations
34 promulgated by the departments of ~~health and~~ business regulation for each qualified patient

1 cardholder to whom he or she is connected through the department of ~~health~~ business regulation's
2 registration process. Said plants shall be stored in an indoor facility. Marijuana plants and the
3 marijuana they produce shall be grown, stored, manufactured, processed, and distributed to
4 qualified patient cardholders to whom the primary caregiver is connected and in accordance with
5 regulations promulgated by the department of business regulation; and

6 (2) On and after July 1, 2019, the primary caregiver cardholder possesses an amount of
7 marijuana that does not exceed six (6) mature marijuana plants and six (6) immature marijuana
8 plants that are accompanied by valid medical marijuana tags (provided that if a primary caregiver
9 cardholder has valid medical marijuana tags that were ordered and processed prior to July 1,
10 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant possession
11 limits set forth in subsection (1) above shall apply to such primary caregiver until the expiration
12 date of the issued tags), three (3) ounces of dried marijuana, or its equivalent amount, and an
13 amount of wet marijuana set in regulations promulgated by the department of business regulation
14 for each qualified patient cardholder to whom he or she is connected through the department of
15 business regulation's registration process. Said plants shall be stored in an indoor facility.
16 Marijuana plants and the marijuana they produce shall be grown, stored, manufactured,
17 processed, and distributed to qualified patient cardholders to whom the primary caregiver is
18 connected and in accordance with regulations promulgated by the department of business
19 regulation.

20 ~~(f) A qualifying patient cardholder shall be allowed to possess a reasonable amount of~~
21 ~~unusable marijuana, including up to twelve (12) seedlings that are accompanied by valid medical~~
22 ~~marijuana tags. A primary caregiver cardholder shall be allowed to possess a reasonable amount~~
23 ~~of unusable marijuana, including up to twenty four (24) seedlings that are accompanied by valid~~
24 ~~medical marijuana tags and an amount of wet marijuana set in regulations promulgated by the~~
25 ~~departments of health and business regulation.~~

26 ~~(g)~~(f) There shall exist a presumption that a cardholder is engaged in the medical use of
27 marijuana if the cardholder:

28 (1) Is in possession of a registry identification card; and

29 (2) Is in possession of an amount of marijuana that does not exceed the amount permitted
30 under this chapter. Such presumption may be rebutted by evidence that conduct related to
31 marijuana was not for the purpose of alleviating the qualifying patient's debilitating medical
32 condition or symptoms associated with the medical condition.

33 ~~(h)~~(g) A primary caregiver cardholder may receive reimbursement for costs associated
34 with assisting a qualifying patient cardholder's medical use of marijuana A primary caregiver

1 cardholder may only receive reimbursement for the actual costs of goods, materials, services or
2 utilities for which they have incurred expenses. A primary caregiver may not receive
3 reimbursement or compensation for their time, knowledge, or expertise. Compensation shall not
4 constitute sale of controlled substances under state law. The department of business regulation
5 may promulgate regulations for the documentation and tracking of reimbursements and the
6 transfer of marijuana between primary caregivers and their registered patients.

7 ~~(h)~~(h) A primary caregiver 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
12 the type, and in an amount not to exceed that set forth in subsection (e), if:

13 (1) The primary caregiver cardholder cultivated the marijuana pursuant to this chapter,
14 not to exceed the limits of subsection (e); and

15 (2) Each qualifying patient cardholder the primary caregiver cardholder is connected with
16 through the department of health's registration process has been provided an adequate amount of
17 the marijuana to meet his or her medical needs, not to exceed the limits of subsection (a).

18 ~~(i)~~(i) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner,
19 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action
20 by the Rhode Island board of medical licensure and discipline, or ~~by any other business an~~ or
21 occupational or professional licensing board or bureau solely for providing written certifications
22 in accordance with this chapter and regulations promulgated by the department of health, or for
23 otherwise stating that, in the practitioner's professional opinion, the potential benefits of the
24 medical marijuana would likely outweigh the health risks for a patient.

25 ~~(j)~~(j) Any interest in, or right to, property that is possessed, owned, or used in connection
26 with the lawful medical use of marijuana, or acts incidental to such use, shall not be forfeited.

27 ~~(k)~~(k) No person shall be subject to arrest or prosecution for constructive possession, conspiracy,
28 aiding and abetting, being an accessory, or any other offense, for simply being in the presence or
29 vicinity of the medical use of marijuana as permitted under this chapter, or for assisting a
30 qualifying patient cardholder with using or administering marijuana.

31 ~~(m)~~(l) A practitioner, licensed with authority to prescribed drugs pursuant to chapters 34,
32 37, and 54 of title 5, or pharmacist, licensed under chapter 19.1 of title 5, or certified school nurse
33 teacher, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right
34 or privilege, including, but not limited to, civil penalty or disciplinary action by an employer

~~business~~ or occupational or professional licensing board or bureau solely for:

(i) discussing the benefits or health risks of medical marijuana or its interaction with other substances with a patient- ~~or~~;

(ii) administering a non-smokable and non-vaporized form of medical marijuana in a school setting to a qualified patient registered in accordance with chapter 21-28.6 of the general laws.

~~(m)~~(m) A qualifying patient or primary caregiver registry identification card, or its equivalent, issued under the laws of another state, U.S. territory, or the District of Columbia, to permit the medical use of marijuana by a patient with a debilitating medical condition, or to permit a person to assist with the medical use of marijuana by a patient with a debilitating medical condition, shall have the same force and effect as a registry identification card.

~~(n)~~(n) Notwithstanding the provisions of subsection (e), no primary caregiver cardholder shall;

(1) Before July 1, 2019, pPossess an amount of marijuana in excess of twenty-four (24) mature marijuana plants and twenty-four (24) immature marijuana plants that are accompanied by valid medical marijuana tags (provided that if a primary caregiver cardholder has valid medical marijuana tags that were ordered and processed prior to July 1, 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant possession limits set forth in this subsection (1) shall apply to such primary caregiver until the expiration date of the issued tags) and ~~five (5)~~ six (6) ounces of dried ~~usable~~ marijuana, or its equivalent, and an amount of wet marijuana set in regulations promulgated by the departments of ~~health and~~ business regulation for patient cardholders to whom he or she is connected through the ~~department of health~~ department of business regulation's registration process.

(2) On or after July 1, 2019, possess an amount of marijuana in excess of twelve (12) mature marijuana plants and twelve (12) immature marijuana plants that are accompanied by valid medical marijuana tags (provided that if a primary caregiver cardholder has valid medical marijuana tags that were ordered and processed prior to July 1, 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant possession limits set forth in subsection (1) above shall apply to such primary caregiver until the expiration date of the issued tags) and six (6) ounces of dried marijuana, or its equivalent, and an amount of wet marijuana set in regulations promulgated by the department of business regulation for patient cardholders to whom he or she is connected through the department of business regulation's registration process.

~~(p) A qualifying patient or primary caregiver cardholder may give marijuana to another qualifying patient or primary caregiver cardholder to whom they are not connected by the~~

1 ~~department's registration process, provided that no consideration is paid for the marijuana, and~~
2 ~~that the recipient does not exceed the limits specified in this section.~~

3 ~~(o) Except as expressly authorized under this chapter, a qualifying patient or primary~~
4 ~~caregiver shall not deliver or otherwise transfer marijuana to any other person or entity.~~

5 ~~(p)~~(p) Qualifying patient cardholders and primary caregiver cardholders who are
6 authorized to grow marijuana shall only grow at one premises, and this premises shall be
7 registered with the department of ~~health~~ business regulation. Except for licensed compassion
8 centers, licensed cooperative cultivations, licensed medical marijuana processors and licensed
9 medical marijuana cultivators, no more than ~~twenty-four (24)~~ twelve (12) mature marijuana
10 plants and twelve (12) immature marijuana plants that are accompanied by valid medical
11 marijuana tags shall be grown or otherwise located at any one dwelling unit or commercial unit
12 (provided that if a qualifying patient cardholder or a primary caregiver cardholder has valid
13 medical marijuana tags for the plants grown at such registered premises that were ordered and
14 processed prior to July 1, 2019, and such tags have an expiration date that is on or after July 1,
15 2019, the plant possession limit of twenty-four (24) mature marijuana plants and twenty-four (24)
16 immature marijuana plants shall apply to such qualifying patient or primary caregiver until the
17 expiration date of the issued tags). The number of qualifying patients or primary caregivers
18 residing, owning, renting, growing, or otherwise operating at a dwelling or commercial unit does
19 not affect this limit. The department of ~~health~~ business regulation shall promulgate regulations to
20 enforce this provision.

21 ~~(q)~~(q) For the purposes of medical care, including organ transplants, a patient cardholder's
22 authorized use of marijuana shall be considered the equivalent of the authorized use of any other
23 medication used at the direction of a physician, and shall not constitute the use of an illicit
24 substance.

25 ~~(r)~~(r) Notwithstanding any other provisions of the general laws, the manufacture of
26 marijuana using a solvent extraction process that includes the use of a compressed, flammable gas
27 as a solvent by a patient cardholder or primary caregiver cardholder shall not be subject to the
28 protections of this chapter.

29 ~~(s)~~(s) Notwithstanding any provisions to the contrary, nothing in this chapter or the
30 general laws shall restrict or otherwise affect the manufacturing, distribution, transportation, sale,
31 prescribing and dispensing of a product that has been approved for marketing as a prescription
32 medication by the U.S. Food and Drug Administration and legally prescribed, nor shall hemp, ~~as~~
33 ~~defined in in accordance with chapter 26 of title 2 § 2-26-3,~~ be defined as marijuana or marihuana
34 pursuant to this chapter, chapter 28 of this title or elsewhere in the general laws.

1 **21-28.6-5. Departments of health and business regulation to issue regulations.**

2 (a) Not later than ninety (90) days after the effective date of this chapter, the department
3 of health shall promulgate regulations governing the manner in which it shall consider petitions
4 from the public to add debilitating medical conditions to those included in this chapter. In
5 considering such petitions, the department of health shall include public notice of, and an
6 opportunity to comment in a public hearing, upon such petitions. The department of health shall,
7 after hearing, approve or deny such petitions within one hundred eighty (180) days of submission.
8 The approval or denial of such a petition shall be considered a final department of health action,
9 subject to judicial review. Jurisdiction and venue for judicial review are vested in the superior
10 court. The denial of a petition shall not disqualify qualifying patients with that condition, if they
11 have a debilitating medical condition as defined in § 21-28.6-3(~~5~~6). The denial of a petition shall
12 not prevent a person with the denied condition from raising an affirmative defense.

13 (b) Not later than ninety (90) days after the effective date of this chapter, the department
14 of health shall promulgate regulations governing the manner in which it shall consider
15 applications for, and renewals of, registry identification cards for qualifying patients, ~~primary~~
16 ~~caregivers~~, and authorized purchasers. The department of health's regulations shall establish
17 application and renewal fees that generate revenues sufficient to offset all expenses of
18 implementing and administering this chapter. The department of health may vary the application
19 and renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's
20 income. The department of health may accept donations from private sources in order to reduce
21 the application and renewal fees.

22 (c) Not later than October 1, 2019, the department of business regulation shall
23 promulgate regulations governing the manner in which it shall consider applications for, and
24 renewals of, registry identification cards for primary caregivers which may include criteria for
25 eligibility or a demonstration of need. The department of business regulation's regulations shall
26 establish application and renewal fees. The department of business regulation may vary the
27 application and renewal fees along a sliding scale that accounts for a qualifying patient's or
28 caregiver's income. The department of business regulation may accept donations from private
29 sources in order to reduce the application and renewal fees.

30 **21-28.6-6. Administration of departments of health and business regulation**
31 **regulations.**

32 (a) The department of health shall issue registry identification cards to qualifying patients
33 who submit the following, in accordance with the department's regulations. Applications shall
34 include but not be limited to:

1 (1) Written certification as defined in § 21-28.6-3(~~25~~30) of this chapter;

2 (2) Application fee, [as applicable](#);

3 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if

4 the patient is homeless, no address is required;

5 (4) Name, address, and telephone number of the qualifying patient's practitioner;

6 (5) Whether the patient elects to [apply to the department of business regulation to serve](#)

7 [as their own caregiver and](#) grow medical marijuana plants for himself or herself; and

8 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient

9 and any authorized purchasers for the qualifying patient, if any [primary caregiver or authorized](#)

10 [purchaser](#) is chosen by the patient or allowed in accordance with regulations promulgated by the

11 departments of health [or business regulation](#).

12 (b) The department of health shall not issue a registry identification card to a qualifying

13 patient under the age of eighteen (18) unless:

14 (1) The qualifying patient's practitioner has explained the potential risks and benefits of

15 the medical use of marijuana to the qualifying patient and to a parent, guardian, or person having

16 legal custody of the qualifying patient; and

17 (2) A parent, guardian, or person having legal custody consents in writing to:

18 (i) Allow the qualifying patient's medical use of marijuana;

19 (ii) Serve as the qualifying patient's primary caregiver or authorized purchaser; and

20 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the

21 medical use of marijuana by the qualifying patient.

22 (c) The department of health shall renew registry identification cards to qualifying

23 patients in accordance with regulations promulgated by the department of health [and subject to](#)

24 [payment of any applicable renewal fee](#).

25 (d) The department of health shall not issue a registry identification card to a qualifying

26 patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen

27 (18).

28 (e) The department of health shall verify the information contained in an application or

29 renewal submitted pursuant to this section, and shall approve or deny an application or renewal

30 within thirty-five (35) days of receiving it. The department may deny an application or renewal

31 only if the applicant did not provide the information required pursuant to this section, or if the

32 department determines that the information provided was falsified, [or that the renewing applicant](#)

33 [has violated this chapter under their previous registration](#). Rejection of an application or renewal

34 is considered a final department action, subject to judicial review. Jurisdiction and venue for

1 judicial review are vested in the superior court.

2 (f) If the qualifying patient's practitioner notifies the department of health in a written
3 statement that the qualifying patient is eligible for hospice care or chemotherapy, the department
4 of health and department of business regulation, as applicable, shall give priority to these
5 applications when verifying the information in accordance with subsection (e) and issue a registry
6 identification card to these qualifying patients, primary caregivers and authorized purchasers
7 within seventy-two (72) hours of receipt of the completed application. The departments shall not
8 charge a registration fee to the patient, caregivers or authorized purchasers named in the
9 application. The department of health may identify through regulation a list of other conditions
10 qualifying a patient for expedited application processing.

11 (g) Following the promulgation of regulations pursuant to 21-28.6-5 (c), ~~The department~~
12 ~~of health shall~~ department of business regulation may issue or renew a registry identification card
13 to the qualifying patient cardholder's primary caregiver, if any, who is named in the qualifying
14 patient's approved application provided the qualifying patient is eligible to appoint a primary
15 caregiver, or serve as their own primary caregiver pursuant to regulations promulgated by the
16 department of business regulation and the caregiver applicant has submitted all necessary
17 application or renewal materials and fees pursuant to regulations promulgated by the department
18 of business regulation. The department of business regulation shall verify the information
19 contained in applications and renewal forms submitted pursuant to this chapter prior to issuing
20 any registry identification card. The department of business regulation may deny an application or
21 renewal if the applicant or appointing patient did not provide the information required pursuant to
22 this section, or if the department determines that the information provided was falsified, or if the
23 applicant or appointing patient has violated this chapter under their previous registration or has
24 otherwise failed to satisfy the application or renewal requirements.

25 (1) Any qualifying patient who qualifies to grow medical marijuana for themselves and
26 serve as their own caregiver shall not be allowed to appoint a caregiver unless said qualifying
27 patient is able to demonstrate the necessity of appointing a caregiver in accordance with
28 regulations promulgated by the department of business regulation.

29 (2) A primary caregiver shall only be registered with and assist one patient cardholder
30 with their medical use of marijuana except as allowed in subdivision (g)(3) of this section.

31 (3) A primary caregiver may be registered with more than one patient cardholder
32 provided that any additional patient is an immediate family member of the primary caregiver or is
33 able to demonstrate the necessity of appointing the caregiver in accordance with regulations
34 promulgated by the department of business regulation.

1 ~~(4)~~(4) A primary caregiver applicant or an authorized purchaser applicant shall apply to
2 the bureau of criminal identification of the department of attorney general, department of public
3 safety division of state police, or local police department for a national criminal records check
4 that shall include fingerprints submitted to the Federal Bureau of Investigation. Upon the
5 discovery of any disqualifying information as defined in subdivision (g) ~~(4)~~(8), and in
6 accordance with the rules promulgated by the director, the bureau of criminal identification of the
7 department of attorney general, department of public safety division of state police, or the local
8 police department shall inform the applicant, in writing, of the nature of the disqualifying
9 information; and, without disclosing the nature of the disqualifying information, shall notify the
10 department of business regulation or department of health, as applicable, in writing, that
11 disqualifying information has been discovered.

12 ~~(2)~~(5) In those situations in which no disqualifying information has been found, the
13 bureau of criminal identification of the department of attorney general, department of public
14 safety division of state police, or the local police shall inform the applicant and the department of
15 business regulation or department of health, as applicable, in writing, of this fact.

16 ~~(3)~~(6) The department of health or department of business regulation, as applicable, shall
17 maintain on file evidence that a criminal records check has been initiated on all applicants
18 seeking a primary caregiver registry identification card or an authorized purchaser registry
19 identification card and the results of the checks. The primary caregiver cardholder shall not be
20 required to apply for a national criminal records check for each patient he or she is connected to
21 through the department's registration process, provided that he or she has applied for a national
22 criminal records check within the previous two (2) years in accordance with this chapter. The
23 department of health and department of business regulation, as applicable, shall not require a
24 primary caregiver cardholder or an authorized purchaser cardholder to apply for a national
25 criminal records check more than once every two (2) years.

26 (7) Notwithstanding any other provision of this chapter, the department of business
27 regulation or department of health may revoke or refuse to issue any class or type of registry
28 identification card or license if it determines that failing to do so would conflict with any federal
29 law or guidance pertaining to regulatory, enforcement and other systems that states, businesses, or
30 other institutions may implement to mitigate the potential for federal intervention or enforcement.
31 This provision shall not be construed to prohibit the overall implementation and administration of
32 this chapter on account of the federal classification of marijuana as a schedule I substance or any
33 other federal prohibitions or restrictions.

34 ~~(4)~~(8) Information produced by a national criminal records check pertaining to a

1 conviction for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled
2 Substances Act"), murder, manslaughter, rape, first-degree sexual assault, second-degree sexual
3 assault, first-degree child molestation, second-degree child molestation, kidnapping, first-degree
4 arson, second-degree arson, mayhem, robbery, burglary, breaking and entering, assault with a
5 dangerous weapon, assault or battery involving grave bodily injury, and/or assault with intent to
6 commit any offense punishable as a felony or a similar offense from any other jurisdiction shall
7 result in a letter to the applicant and the department of health [or department of business](#)
8 [regulation, as applicable](#), disqualifying the applicant. If disqualifying information has been found,
9 the department [of health or department of business regulation, as applicable](#) may use its discretion
10 to issue a primary caregiver registry identification card or an authorized purchaser registry
11 identification card if the applicant's connected patient is an immediate family member and the
12 card is restricted to that patient only.

13 ~~(5)~~(9) The primary caregiver or authorized purchaser applicant shall be responsible for
14 any expense associated with the national criminal records check.

15 ~~(6)~~(10) For purposes of this section, "conviction" means, in addition to judgments of
16 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
17 where the defendant has entered a plea of nolo contendere and has received a sentence of
18 probation and those instances where a defendant has entered into a deferred sentence agreement
19 with the attorney general.

20 [\(h\)](#)(i) On or before December 31, 2016, the department of health shall issue registry
21 identification cards within five (5) business days of approving an application or renewal that shall
22 expire two (2) years after the date of issuance.

23 (ii) Effective January 1, 2017, and thereafter, the department of health [or the department](#)
24 [of business regulation, as applicable](#), shall issue registry identification cards within five (5)
25 business days of approving an application or renewal that shall expire one year after the date of
26 issuance.

27 (iii) Registry identification cards shall contain:

- 28 (1) The date of issuance and expiration date of the registry identification card;
29 (2) A random registry identification number;
30 (3) A photograph; and
31 (4) Any additional information as required by regulation of the department of health [or](#)
32 [business regulation as applicable](#).

33 [\(i\)](#) Persons issued registry identification cards by the department of health [or department](#)
34 [of business regulation](#) shall be subject to the following:

1 (1) A qualifying patient cardholder shall notify the department of health of any change in
2 his or her name, address, primary caregiver, or authorized purchaser; or if he or she ceases to
3 have his or her debilitating medical condition, within ten (10) days of such change.

4 (2) A qualifying patient cardholder who fails to notify the department of health of any of
5 these changes is responsible for a civil infraction, punishable by a fine of no more than one
6 hundred fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating
7 medical condition, the card shall be deemed null and void and the person shall be liable for any
8 other penalties that may apply to the person's nonmedical use of marijuana.

9 (3) A primary caregiver cardholder or authorized purchaser shall notify the [issuing](#)
10 department ~~of health~~ of any change in his or her name or address within ten (10) days of such
11 change. A primary caregiver cardholder or authorized purchaser who fails to notify the
12 department of any of these changes is responsible for a civil infraction, punishable by a fine of no
13 more than one hundred fifty dollars (\$150).

14 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
15 department of health [or department of business regulation, as applicable](#), of any changes listed in
16 this subsection, the department of health [or department of business regulation, as applicable](#), shall
17 issue the qualifying patient cardholder and each primary caregiver cardholder a new registry
18 identification card within ten (10) days of receiving the updated information and a ten-dollar
19 (\$10.00) fee.

20 (5) When a qualifying patient cardholder changes his or her primary caregiver or
21 authorized purchaser, the department of health [or department of business regulation, as applicable](#)
22 shall notify the primary caregiver cardholder or authorized purchaser within ten (10) days. The
23 primary caregiver cardholder's protections as provided in this chapter as to that patient shall
24 expire ten (10) days after notification by the [issuing](#) department. If the primary caregiver
25 cardholder or authorized purchaser is connected to no other qualifying patient cardholders in the
26 program, he or she must return his or her registry identification card to the [issuing](#) department.

27 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he
28 or she shall notify the department [that issued the card](#) and submit a ten-dollar (\$10.00) fee within
29 ten (10) days of losing the card. Within five (5) days, the department [of health or department of](#)
30 [business regulation](#) shall issue a new registry identification card with new random identification
31 number.

32 ~~(7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her~~
33 ~~registration with regard to the growing of medical marijuana for himself or herself, he or she shall~~
34 ~~notify the department prior to the purchase of medical marijuana tags or the growing of medical~~

~~marijuana plants.~~

~~(8)~~(7) If a cardholder or authorized purchaser willfully violates any provision of this chapter as determined by the department of health or the department of business regulation, his or her registry identification card may be revoked.

(j) Possession of, or application for, a registry identification card shall not constitute probable cause or reasonable suspicion, nor shall it be used to support the search of the person or property of the person possessing or applying for the registry identification card, or otherwise subject the person or property of the person to inspection by any governmental agency.

(k)(1) Applications and supporting information submitted by qualifying patients, including information regarding their primary caregivers, authorized purchaser, and practitioners, are confidential and protected ~~under~~ in accordance with the federal Health Insurance Portability and Accountability Act of 1996, as amended, and shall be exempt from the provisions of chapter 2 of title 38 et seq. (Rhode Island access to public records act) and not subject to disclosure, except to authorized employees of the departments of health and business regulation as necessary to perform official duties of the departments, and pursuant to subsections (l) and (m).

(2) The application for qualifying patient's registry identification card shall include a question asking whether the patient would like the department of health to notify him or her of any clinical studies about marijuana's risk or efficacy. The department of health shall inform those patients who answer in the affirmative of any such studies it is notified of, that will be conducted in Rhode Island. The department of health may also notify those patients of medical studies conducted outside of Rhode Island.

(3) The department of health and the department of business regulation, as applicable, shall maintain a confidential list of the persons to whom the department of health or department of business regulation has issued authorized patient, primary caregiver, and authorized purchaser registry identification cards. Individual names and other identifying information on the list shall be confidential, exempt from the provisions of Rhode Island access to public information, chapter 2 of title 38, and not subject to disclosure, except to authorized employees of the departments of health and business regulation as necessary to perform official duties of the departments and pursuant to subsections (l) and (m).

(l) Notwithstanding subsections (k) and (m), the departments of health and business regulation, as applicable, shall verify to law enforcement personnel whether a registry identification card is valid and may provide additional information to confirm whether a cardholder is compliant with the provisions of this chapter and the regulations promulgated hereunder. ~~solely by confirming the random registry identification number or name.~~ The

1 [department of business regulation shall verify to law enforcement personnel whether a registry](#)
2 [identification card is valid and may confirm whether the cardholder is compliant with the](#)
3 [provisions of this chapter and the regulations promulgated hereunder.](#) This verification may occur
4 through the use of a shared database, provided that any [medical records or](#) confidential
5 information in this database [related to a cardholder's specific medical condition](#) is protected in
6 accordance with subdivision (k)(1).

7 (m) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a
8 one thousand dollar (\$1,000) fine, for any person, including an employee or official of the
9 departments of health, business regulation, public safety, or another state agency or local
10 government, to breach the confidentiality of information obtained pursuant to this chapter.
11 Notwithstanding this provision, the department of health and department of business regulation
12 employees may notify law enforcement about falsified or fraudulent information submitted to the
13 department or violations of this chapter. [Nothing in this act shall be construed as to prohibit law](#)
14 [enforcement, public safety, fire, or building officials from investigating violations of, or enforcing](#)
15 [state law.](#)

16 (n) On or before the fifteenth day of the month following the end of each quarter of the
17 fiscal year, the department [of health and the department of business regulation](#) shall report to the
18 governor, the speaker of the house of representatives, and the president of the senate on
19 applications for the use of marijuana for symptom relief. The report shall provide:

20 (1) The number of applications for registration as a qualifying patient, primary caregiver,
21 or authorized purchaser that have been made to the department of health [and the department of](#)
22 [business regulation](#) during the preceding quarter, the number of qualifying patients, primary
23 caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions
24 of the qualifying patients, the number of registrations revoked, and the number and
25 specializations, if any, of practitioners providing written certification for qualifying patients.

26 (o) On or before September 30 of each year, the department of health [and the department](#)
27 [of business regulation, as applicable, shall](#) report to the governor, the speaker of the house of
28 representatives, and the president of the senate on the use of marijuana for symptom relief. The
29 report shall provide:

30 (1) The total number of applications for registration as a qualifying patient, primary
31 caregiver, or authorized purchaser that have been made to the department of health [and the](#)
32 [department of business regulation](#), the number of qualifying patients, primary caregivers, and
33 authorized purchasers approved, the nature of the debilitating medical conditions of the
34 qualifying patients, the number of registrations revoked, and the number and specializations, if

1 any, of practitioners providing written certification for qualifying patients;

2 (2) The number of active qualifying patient, primary caregiver, and authorized purchaser
3 registrations as of June 30 of the preceding fiscal year;

4 (3) An evaluation of the costs permitting the use of marijuana for symptom relief,
5 including any costs to law enforcement agencies and costs of any litigation;

6 (4) Statistics regarding the number of marijuana-related prosecutions against registered
7 patients and caregivers, and an analysis of the facts underlying those prosecutions;

8 (5) Statistics regarding the number of prosecutions against physicians for violations of
9 this chapter; and

10 (6) Whether the United States Food and Drug Administration has altered its position
11 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
12 for marijuana.

13 (p) After June 30, 2018, the department of business regulation shall report to the speaker
14 of the house, senate president, the respective fiscal committee chairpersons, and fiscal advisors
15 within 60 days of the close of the prior fiscal year. The report shall provide:

16 (1) The number of applications for registry identification cards to compassion center
17 staff, the number approved, denied and the number of registry identification cards revoked, and
18 the number of replacement cards issued;

19 (2) The number of applications for compassion centers and licensed cultivators;

20 (3) The number of marijuana plant tag sets ordered, delivered, and currently held within
21 the state;

22 (4) The total revenue collections of any monies related to its regulator activities for the
23 prior fiscal year, by the relevant category of collection, including enumerating specifically the
24 total amount of revenues foregone or fees paid at reduced rates pursuant to this chapter.

25 **21-28.6-7. Scope of chapter.**

26 (a) This chapter shall not permit:

27 (1) Any person to undertake any task under the influence of marijuana, when doing so
28 would constitute negligence or professional malpractice;

29 (2) The smoking of marijuana:

30 (i) In a school bus or other form of public transportation;

31 (ii) On any school grounds;

32 (iii) In any correctional facility;

33 (iv) In any public place;

34 (v) In any licensed drug treatment facility in this state; or

(vi) Where exposure to the marijuana smoke significantly adversely affects the health, safety, or welfare of children.

(3) Any person to operate, navigate, or be in actual physical control of any motor vehicle, aircraft, or motorboat while under the influence of marijuana. However, a registered qualifying patient shall not be considered to be under the influence solely for having marijuana metabolites in his or her system.

[\(4\) The operation of a medical marijuana emporium is prohibited in this state without a license issued by the department of business regulation.](#)

(b) Nothing in this chapter shall be construed to require:

(1) A government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of marijuana; or

(2) An employer to accommodate the medical use of marijuana in any workplace.

(c) Fraudulent representation to a law enforcement official of any fact or circumstance relating to the medical use of marijuana to avoid arrest or prosecution shall be punishable by a fine of five hundred dollars (\$500) which shall be in addition to any other penalties that may apply for making a false statement for the nonmedical use of marijuana.

21-28.6-8. Affirmative defense and dismissal.

(a) Except as provided in § 21-28.6-7, a qualifying patient may assert the medical purpose for using marijuana as a defense to any prosecution involving marijuana, and such defense shall be presumed valid where the evidence shows that:

(1) The qualifying patient's practitioner has stated that, in the practitioner's professional opinion, after having completed a full assessment of the person's medical history and current medical condition made in the course of a bona fide practitioner-patient relationship, the potential benefits of using marijuana for medical purposes would likely outweigh the health risks for the qualifying patient; and

(2) The qualifying patient [was compliant with this chapter and all regulations promulgated hereunder and](#) was in possession of a quantity of marijuana that was not more than what is permitted under this chapter to ensure the uninterrupted availability of marijuana for the purpose of alleviating the person's medical condition or symptoms associated with the medical condition.

(b) A person may assert the medical purpose for using marijuana in a motion to dismiss, and the charges shall be dismissed following an evidentiary hearing where the defendant shows the elements listed in subsection (a) of this section.

(c) Any interest in, or right to, property that was possessed, owned, or used in connection

1 with a qualifying patient's use of marijuana for medical purposes shall not be forfeited if the
2 qualifying patient demonstrates the qualifying patient's medical purpose for using marijuana
3 pursuant to this section.

4 **21-28.6-9. Enforcement.**

5 (a) If the department of health fails to adopt regulations to implement this chapter within
6 one hundred twenty (120) days of the effective date of this act, a qualifying patient may
7 commence an action in a court of competent jurisdiction to compel the department to perform the
8 actions mandated pursuant to the provisions of this chapter.

9 (b) If the department of health or the department of business regulation fails to issue a
10 valid registry identification card in response to a valid application submitted pursuant to this
11 chapter within thirty-five (35) days of its submission, the registry identification card shall be
12 deemed granted and a copy of the registry identification application shall be deemed a valid
13 registry identification card.

14 (c) The department of health and the department of business regulation shall revoke and
15 shall not reissue, the registry identification card of any cardholder or licensee who is convicted of;
16 placed on probation; whose case is filed pursuant to § 12-10-12 where the defendant pleads nolo
17 contendere; or whose case is deferred pursuant to § 12-19-19 where the defendant pleads nolo
18 contendere for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled
19 Substances Act") or a similar offense from any other jurisdiction.

20 (d) If a cardholder exceeds the possession limits set forth in §§ 21-28.6-4 or 21-28.6-14,
21 or is in violation of any other section of this chapter or the regulations promulgated hereunder, he
22 or she ~~shall~~ may be subject to arrest and prosecution under chapter 28 of title 21 ("Rhode Island
23 Controlled Substances Act").

24 (e) (1) Notwithstanding any other provision of this chapter, if the director of the
25 department of business regulation or his or her designee has cause to believe that a violation of
26 any provision of chapter 21-28.6 or the regulations promulgated thereunder has occurred by a
27 licensee or registrant under the department's jurisdiction, or that any person or entity is
28 conducting any activities requiring licensure or registration by the department of business
29 regulation under chapter 21-28.6 or the regulations promulgated thereunder without such
30 licensure or registration, the director or his or her designee may, in accordance with the
31 requirements of the administrative procedures act, chapter 35 of title 42:

32 (i) Revoke or suspend a license or registration;

33 (ii) Levy an administrative penalty in an amount established pursuant to regulations
34 promulgated by the department of business regulation;

- 1 (iii) Order the violator to cease and desist such actions;
2 (iv) Require a licensee or registrant or person or entity conducting any activities requiring
3 licensure or registration under chapter 21-28.6 to take such actions as are necessary to comply
4 with such chapter and the regulations promulgated thereunder; or
5 (v) Any combination of the above penalties.

6 (2) If the director of the department of business regulation finds that public health, safety,
7 or welfare imperatively requires emergency action, and incorporates a finding to that effect in his
8 or her order, summary suspension of license or registration and/or cease and desist may be
9 ordered pending proceedings for revocation or other action. These proceedings shall be promptly
10 instituted and determined.

11 (f) All medical marijuana products that are held for sale or distribution within the borders
12 of this state in violation of the requirements of this chapter are declared to be contraband goods
13 and may be seized by the department of business regulation, the tax administrator or his or her
14 agents, or employees, or by any sheriff, or his or her deputy, or any police officer when requested
15 by the tax administrator or the department of business regulation to do so, without a warrant. All
16 contraband goods seized by the state under this chapter may be destroyed.

17 **21-28.6-12. Compassion centers.**

18 (a) A compassion center ~~registered~~ licensed under this section may acquire, possess,
19 ~~cultivate, manufacture~~, deliver, transfer, transport, supply, or dispense marijuana, or related
20 supplies and educational materials, to registered qualifying patients and their registered primary
21 caregivers or authorized purchasers, out of state patient cardholders, or other marijuana business
22 license holders, in accordance with regulations promulgated by the department of business
23 regulation. Except as specifically provided to the contrary, all provisions of the Edward O.
24 Hawkins and Thomas C. Slater Medical Marijuana Act, §§ 21-28.6-1 et seq., apply to a
25 compassion center unless they conflict with a provision contained in § 21-28.6-12.

26 (b) ~~Registration~~ License of compassion centers--authority of the departments of health
27 and business regulation:

28 (1) Not later than ninety (90) days after the effective date of this chapter, the department
29 of health shall promulgate regulations governing the manner in which it shall consider
30 applications for ~~registration-certificates~~ licenses for compassion centers, including regulations
31 governing:

- 32 (i) The form and content of ~~registration~~ license and renewal applications;
33 (ii) Minimum oversight requirements for compassion centers;
34 (iii) Minimum record-keeping requirements for compassion centers;

1 (iv) Minimum security requirements for compassion centers; and

2 (v) Procedures for suspending, revoking, or terminating the ~~registration~~ license of

3 compassion centers that violate the provisions of this section or the regulations promulgated

4 pursuant to this subsection.

5 (2) Within ninety (90) days of the effective date of this chapter, the department of health

6 shall begin accepting applications for the operation of a single compassion center.

7 (3) Within one hundred fifty (150) days of the effective date of this chapter, the

8 department of health shall provide for at least one public hearing on the granting of an application

9 to a single compassion center.

10 (4) Within one hundred ninety (190) days of the effective date of this chapter, the

11 department of health shall grant a single ~~registration-certificate~~ license to a single compassion

12 center, providing at least one applicant has applied who meets the requirements of this chapter.

13 (5) If at any time after fifteen (15) months after the effective date of this chapter, there is

14 no operational compassion center in Rhode Island, the department of health shall accept

15 applications, provide for input from the public, and issue a ~~registration-certificate~~ license for a

16 compassion center if a qualified applicant exists.

17 (6) Within two (2) years of the effective date of this chapter, the department of health

18 shall begin accepting applications to provide ~~registration-certificates~~ licenses for two (2)

19 additional compassion centers. The department shall solicit input from the public, and issue

20 ~~registration-certificates~~ licenses if qualified applicants exist.

21 (7)(i) Any time a compassion center ~~registration-certificate~~ license is revoked, is

22 relinquished, or expires on or before December 31, 2016, the department of health shall accept

23 applications for a new compassion center.

24 (ii) Any time a compassion center ~~registration-certificate~~ license is revoked, is

25 relinquished, or expires on or after January 1, 2017, the department of business regulation shall

26 accept applications for a new compassion center.

27 (8) (i) If at any time after three (3) years after the effective date of this chapter and on or

28 before December 31, 2016, fewer than three (3) compassion centers are holding valid ~~registration~~

29 ~~certificates~~ licenses in Rhode Island, the department of health shall accept applications for a new

30 compassion center. If at any time on or after January 1, 2019, fewer than ~~three-(3)~~ nine (9)

31 compassion centers are holding valid ~~registration-certificates~~ licenses in Rhode Island, or are

32 approved by the department of business regulation, the department of business regulation shall

33 accept applications for a new compassion center. No more than nine (9) ~~three-(3)~~ compassion

34 centers may hold valid ~~registration-certificates~~ licenses at one time.

1 (ii) Before September 1, 2019 the department of business regulation shall not accept
2 applications for additional compassion centers except for those submitted by a compassion center
3 that is licensed by the department. A compassion center that holds a license in good standing by
4 the department and whose application meets the requirements of this chapter including the
5 payment of all applicable fees, shall be issued a second compassion center license for the retail
6 sale of medical marijuana.

7 (iii) On and after September 1, 2019 the department of business regulation shall accept
8 applications from all other applicants.

9 (9) Any compassion center application selected for approval by the department of health
10 on or before December 31, 2016, or selected for approval by the department of business
11 regulation on or after January 1, 2017, shall remain in full force and effect, notwithstanding any
12 provisions of this chapter to the contrary, and shall be subject to state law adopted herein and
13 rules and regulations adopted by the departments of health and business regulation subsequent to
14 passage of this legislation.

15 (c) Compassion center and agent applications and ~~registration~~ license:

16 (1) Each application for a compassion center shall ~~include~~ be submitted in accordance
17 with regulations promulgated by the department of business regulation and shall include but not
18 be limited to:

19 (i) A non-refundable application fee paid to the department in the amount of ~~two hundred~~
20 ~~fifty dollars (\$250)~~ ten thousand dollars (\$10,000);

21 (ii) The proposed legal name and proposed articles of incorporation of the compassion
22 center;

23 (iii) The proposed physical address of the compassion center, if a precise address has
24 been determined, or, if not, the general location where it would be located. This may include a
25 second location for ~~the~~ a second compassion center retail location in accordance with 21-28.6-12
26 (b)(8)(ii) cultivation of medical marijuana;

27 (iv) ~~A description of the enclosed, locked facility that would be used in the cultivation of~~
28 ~~marijuana~~;

29 ~~(v)~~ The name, address, and date of birth of each principal officer and board member of
30 the compassion center;

31 ~~(vi)~~ (v) Proposed security and safety measures that shall include at least one security
32 alarm system for each location, planned measures to deter and prevent the unauthorized entrance
33 into areas containing marijuana and the theft of marijuana, as well as a draft, employee-
34 instruction manual including security policies, safety and security procedures, personal safety,

1 and crime-prevention techniques; and

2 ~~(vii)~~(vi) Proposed procedures to ensure accurate record keeping;

3 (2)(i) For applications submitted on or before December 31, 2016, any time one or more
4 compassion center ~~registration~~ license applications are being considered, the department of health
5 shall also allow for comment by the public and shall solicit input from registered qualifying
6 patients, registered primary caregivers; and the towns or cities where the applicants would be
7 located;

8 (ii) For applications submitted on or after January 1, 2017, any time one or more
9 compassion center ~~registration~~ license applications are being considered, the department of
10 business regulation shall also allow for comment by the public and shall solicit input from
11 registered qualifying patients, registered primary caregivers; and the towns or cities where the
12 applicants would be located.

13 (3) Each time a new compassion center ~~certificate~~ license is ~~granted~~ issued, the decision
14 shall be based upon the overall health needs of qualified patients and the safety of the public,
15 including, but not limited to, the following factors:

16 (i) Convenience to patients from underserved areas throughout the state of Rhode Island
17 ~~to the compassion centers if the applicant were approved;~~

18 (ii) The applicant's ability to provide a steady supply to the registered qualifying patients
19 in the state;

20 (iii) The applicant's experience running a non-profit or business;

21 (iv) The interests of qualifying patients regarding which applicant be granted a
22 ~~registration-certificate~~ license;

23 (v) The interests of the city or town where the dispensary would be located;

24 (vi) The sufficiency of the applicant's plans for record keeping and security, which
25 records shall be considered confidential health-care information under Rhode Island law and are
26 intended to be deemed protected health-care information for purposes of the Federal Health
27 Insurance Portability and Accountability Act of 1996, as amended; and

28 (vii) The sufficiency of the applicant's plans for safety and security, including proposed
29 location, security devices employed, and staffing;

30 (4) A compassion center approved by the department of health on or before December
31 31, 2016, shall submit the following to the department before it may begin operations:

32 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

33 (ii) The legal name and articles of incorporation of the compassion center;

34 (iii) The physical address of the compassion center; ~~this may include a second address for~~

1 ~~the secure cultivation of marijuana;~~

2 (iv) The name, address, and date of birth of each principal officer and board member of

3 the compassion center; and

4 (v) The name, address, and date of birth of any person who will be an agent of, employee,

5 or volunteer of the compassion center at its inception.

6 (5) A compassion center approved or renewed by the department of business regulation

7 on or after January 1, 2017, shall submit materials pursuant to regulations promulgated by the

8 department of business regulation ~~the following to the department~~ before it may begin operations

9 which shall include but not be limited to:

10 (i) A fee paid to the department in the amount of ~~five~~ fifty thousand dollars (\$~~50~~,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 (6) Except as provided in subdivision (7), the department of health or the department of

19 business regulation shall issue each principal officer, board member, agent, volunteer, and

20 employee of a compassion center a registry identification card or renewal card after receipt of the

21 person's name, address, date of birth; a fee in an amount established by the department of health

22 or the department of business regulation; and, except in the case of an employee, notification to

23 the department of health or the department of business regulation by the department of public

24 safety division of state police, attorney general's office, or local law enforcement that the registry

25 identification card applicant has not been convicted of a felony drug offense or has not entered a

26 plea of nolo contendere for a felony drug offense and received a sentence of probation. Each card

27 shall specify that the cardholder is a principal officer, board member, agent, volunteer, or

28 employee of a compassion center and shall contain the following:

29 (i) The name, address, and date of birth of the principal officer, board member, agent,

30 volunteer, or employee;

31 (ii) The legal name of the compassion center to which the principal officer, board

32 member, agent, volunteer, or employee is affiliated;

33 (iii) A random identification number that is unique to the cardholder;

34 (iv) The date of issuance and expiration date of the registry identification card; ~~and~~

1 (v) A photograph, if the department of health or the department of business regulation
2 decides to require one; and

3 (vi) Any other information or card classification that the department of business
4 regulation requires.

5 (7) Except as provided in this subsection, neither the department of health nor the
6 department of business regulation shall issue a registry identification card to any principal officer,
7 board member, or agent, ~~volunteer, or employee~~ of a compassion center who has been convicted
8 of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense and
9 received a sentence of probation. If a registry identification card is denied, the compassion center
10 will be notified in writing of the purpose for denying the registry identification card. A registry
11 identification card may be granted if the offense was for conduct that occurred prior to the
12 enactment of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act or that was
13 prosecuted by an authority other than the state of Rhode Island and for which the Edward O.
14 Hawkins and Thomas C. Slater Medical Marijuana Act would otherwise have prevented a
15 conviction.

16 (i) All registry identification card applicants shall apply to the department of public safety
17 division of state police, the attorney general's office, or local law enforcement for a national
18 criminal identification records check that shall include fingerprints submitted to the federal
19 bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
20 contendere for a felony drug offense with a sentence of probation, and in accordance with the
21 rules promulgated by the department of health and the department of business regulation, the
22 department of public safety division of state police, the attorney general's office, or local law
23 enforcement shall inform the applicant, in writing, of the nature of the felony and the department
24 of public safety division of state police shall notify the department of health or the department of
25 business regulation, in writing, without disclosing the nature of the felony, that a felony drug
26 offense conviction or a plea of nolo contendere for a felony drug offense with probation has been
27 found.

28 (ii) In those situations in which no felony drug offense conviction or plea of nolo
29 contendere for a felony drug offense with probation has been found, the department of public
30 safety division of state police, the attorney general's office, or local law enforcement shall inform
31 the applicant and the department of health or the department of business regulation, in writing, of
32 this fact.

33 (iii) All registry identification card applicants except for employees with no ownership,
34 equity, financial interest, or managing control of a marijuana establishment license shall be

1 responsible for any expense associated with the criminal background check with fingerprints.

2 (8) A registry identification card of a principal officer, board member, agent, volunteer,
3 ~~or~~ employee, or any other designation required by the department of business regulation shall
4 expire one year after its issuance, or upon the expiration of the ~~registered~~ licensed organization's
5 ~~registration-certificate~~ license, or upon the termination of the principal officer, board member,
6 agent, volunteer or employee's relationship with the compassion center, whichever occurs first.

7 (9) A compassion center cardholder shall notify and request approval from the
8 department of business regulation of any change in his or her name or address within ten (10)
9 days of such change. A compassion center cardholder who fails to notify the department of
10 business regulation of any of these changes is responsible for a civil infraction, punishable by a
11 fine of no more than one hundred fifty dollars (\$150).

12 (10) When a compassion center cardholder notifies the department of health or the
13 department of business regulation of any changes listed in this subsection, the department shall
14 issue the cardholder a new registry identification card within ten (10) days of receiving the
15 updated information and a ten-dollar (\$10.00) fee.

16 (11) If a compassion center cardholder loses his or her registry identification card, he or
17 she shall notify the department of health or the department of business regulation and submit a
18 ten-dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the
19 department shall issue a new registry identification card with new random identification number.

20 (12) On or before December 31, 2016, a compassion center cardholder shall notify the
21 department of health of any disqualifying criminal convictions as defined in subdivision (c)(7).
22 The department of health may choose to suspend and/or revoke his or her registry identification
23 card after such notification.

24 (13) On or after January 1, 2017, a compassion center cardholder shall notify the
25 department of business regulation of any disqualifying criminal convictions as defined in
26 subdivision (c)(7). The department of business regulation may choose to suspend and/or revoke
27 his or her registry identification card after such notification.

28 (14) If a compassion center cardholder violates any provision of this chapter or
29 regulations promulgated hereunder as determined by the departments of health and business
30 regulation, his or her registry identification card may be suspended and/or revoked.

31 (d) Expiration or termination of compassion center:

32 (1) On or before December 31, 2016, a compassion center's ~~registration~~ license shall
33 expire two (2) years after its ~~registration-certificate~~ license is issued. On or after January 1, 2017,
34 a compassion center's ~~registration~~ license shall expire one year after its ~~registration-certificate~~

1 [license](#) is issued. The compassion center may submit a renewal application beginning sixty (60)
2 days prior to the expiration of its ~~registration-certificate~~ [license](#);

3 (2) The department of health or the department of business regulation shall grant a
4 compassion center's renewal application within thirty (30) days of its submission if the following
5 conditions are all satisfied:

6 (i) The compassion center submits the materials required under subdivisions (c)(4) and
7 (c)(5), including a ~~two-hundred-fifty-thousand-dollar~~ [fifty](#) thousand dollar (\$~~250~~[50](#),000) fee;

8 (ii) The compassion center's ~~registration~~ [license](#) has never been suspended for violations
9 of this chapter or regulations issued pursuant to this chapter; and

10 (iii) The ~~department of health and the~~ department of business regulation find that the
11 compassion center is adequately providing patients with access to medical marijuana at
12 reasonable rates;

13 (3) If the department of health or the department of business regulation determines that
14 any of the conditions listed in paragraphs (d)(2)(i) -- (iii) have not been met, the department ~~shall~~
15 [may](#) begin an open application process for the operation of a compassion center. In granting a
16 new ~~registration-certificate~~ [license](#), the department of health or the department of business
17 regulation shall consider factors listed in subdivision (c)(3);

18 (4) The ~~department of health or the~~ department of business regulation shall issue a
19 compassion center one or more thirty-day (30) temporary ~~registration-certificates~~ [licenses](#) after
20 that compassion center's ~~registration~~ [license](#) would otherwise expire if the following conditions
21 are all satisfied:

22 (i) The compassion center previously applied for a renewal, but the department had not
23 yet come to a decision;

24 (ii) The compassion center requested a temporary ~~registration-certificate~~ [license](#); and

25 (iii) The compassion center has not had its ~~registration-certificate~~ [license suspended or](#)
26 revoked due to violations of this chapter or regulations issued pursuant to this chapter.

27 (5) A compassion center's ~~registry-identification-card~~ [license](#) shall be subject to
28 revocation if the compassion center:

29 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;

30 (ii) Is in violation of the laws of this state;

31 (iii) Is in violation of other departmental regulations; or

32 (iv) Employs or enters into a business relationship with a medical practitioner who
33 provides written certification of a qualifying patient's medical condition.

34 (e) Inspection. Compassion centers are subject to reasonable inspection by the department

1 of health, division of facilities regulation and the department of business regulation. During an
2 inspection, the departments may review the compassion center's confidential records, including
3 its dispensing records, which shall track transactions according to qualifying patients' registry
4 identification numbers to protect their confidentiality.

5 (f) Compassion center requirements:

6 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
7 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
8 Internal Revenue Service. A compassion center shall be subject to regulations promulgated by
9 the department of business regulation for general operations and record keeping which shall
10 include but not be limited to:

11 (i) Minimum security and surveillance requirements;

12 (ii) Minimum requirements for workplace safety and sanitation;

13 (iii) Minimum requirements for product safety and testing;

14 (iv) Minimum requirements for inventory tracking and monitoring;

15 (v) Minimum requirements for the secure transport and transfer of medical marijuana;

16 (vi) Minimum requirements to address odor mitigation;

17 (vii) Minimum requirements for product packaging and labeling;

18 (viii) Minimum requirements for advertising;

19 (ix) Minimum requirements for the testing and destruction of marijuana. Wherever
20 destruction of medical marijuana and medical marijuana product is required to bring a person or
21 entity into compliance with any provision of chapter 21-28.6, any rule or regulation promulgated
22 thereunder, or any administrative order issued in accordance therewith, the director of the
23 department of business regulation may designate his or her employees or agents to facilitate said
24 destruction;

25 (x) A requirement that if a compassion center violates this chapter, or any regulation
26 thereunder, and the department of business regulation determines that violation does not pose an
27 immediate threat to public health or public safety, the compassion center shall pay to the
28 department of business regulation a fine of no less than five-hundred dollars (\$500); and

29 (xi) A requirement that if f a compassion center violates this chapter, or any regulation
30 promulgated hereunder, and the department of business regulation determines that the violation
31 poses an immediate threat to public health or public safety, the compassion center shall pay to the
32 department of business regulation a fine of no less than two-thousand dollars (\$2,000) and the
33 department shall be entitled to pursue any other enforcement action provided for under this
34 chapter and the regulations.

1 (2) A compassion center may not be located within one thousand feet (1,000') of the
2 property line of a preexisting public or private school;

3 (3) On or before December 31, 2016, a compassion center shall notify the department of
4 health within ten (10) days of when a principal officer, board member, agent, volunteer, or
5 employee ceases to work at the compassion center. On or after January 1, 2017, a compassion
6 center shall notify the department of business regulation within ten (10) days of when a principal
7 officer, board member, agent, volunteer, or employee ceases to work at the compassion center.
8 His or her card shall be deemed null and void and the person shall be liable for any penalties that
9 may apply to any nonmedical possession or use of marijuana by the person;

10 (4)(i) On or before December 31, 2016, a compassion center shall notify the department
11 of health in writing of the name, address, and date of birth of any new principal officer, board
12 member, agent, volunteer or employee and shall submit a fee in an amount established by the
13 department for a new registry identification card before that person begins his or her relationship
14 with the compassion center;

15 (ii) On or after January 1, 2017, a compassion center shall notify the department of
16 business regulation, in writing, of the name, address, and date of birth of any new principal
17 officer, board member, agent, volunteer, or employee and shall submit a fee in an amount
18 established by the department [of business regulation](#) for a new registry identification card before
19 that person begins his or her relationship with the compassion center;

20 (5) A compassion center shall implement appropriate security measures to deter and
21 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
22 shall insure that each location has an operational security alarm system. Each compassion center
23 shall request that the department of public safety division of state police visit the compassion
24 center to inspect the security of the facility and make any recommendations regarding the security
25 of the facility and its personnel within ten (10) days prior to the initial opening of each
26 compassion center. Said recommendations shall not be binding upon any compassion center, nor
27 shall the lack of implementation of said recommendations delay or prevent the opening or
28 operation of any center. If the department of public safety division of state police does not inspect
29 the compassion center within the ten-day (10) period, there shall be no delay in the compassion
30 center's opening.

31 (6) The operating documents of a compassion center shall include procedures for the
32 oversight of the compassion center and procedures to ensure accurate record keeping.

33 (7) A compassion center is prohibited from acquiring, possessing, ~~cultivating,~~
34 ~~manufacturing,~~ delivering, transferring, transporting, supplying, or dispensing marijuana for any

1 purpose except to assist ~~registered-qualifying~~ patient cardholders with the medical use of
2 marijuana directly or through the qualifying patient's primary caregiver or authorized purchaser.
3 unless otherwise authorized by the department of business regulations in accordance with
4 regulations promulgated by the department.

5 (8) All principal officers and board members of a compassion center must be residents of
6 the state of Rhode Island.

7 (9) Each time a new, registered, qualifying patient visits a compassion center, it shall
8 provide the patient with a frequently asked questions sheet, designed by the department, that
9 explains the limitations on the right to use medical marijuana under state law.

10 (10) Effective July 1, 201~~6~~⁷, each compassion center shall be subject to any regulations
11 promulgated by the department of health and business regulation that specify how ~~usable~~
12 marijuana must be tested for items included but not limited to cannabinoid profile and
13 contaminants.

14 (11) Effective January 1, 2017, each compassion center shall be subject to any product
15 labeling requirements promulgated by the department of business regulation.

16 (12) Each compassion center shall develop, implement, and maintain on the premises
17 employee, volunteer, and agent policies and procedures to address the following requirements:

18 (i) A job description or employment contract developed for all employees and agents, and
19 a volunteer agreement for all volunteers, that includes duties, authority, responsibilities,
20 qualifications, and supervision; and

21 (ii) Training in, and adherence to, state confidentiality laws.

22 (13) Each compassion center shall maintain a personnel record for each employee, agent,
23 and volunteer that includes an application and a record of any disciplinary action taken.

24 (14) Each compassion center shall develop, implement, and maintain on the premises an
25 on-site training curriculum, or enter into contractual relationships with outside resources capable
26 of meeting employee training needs, that includes, but is not limited to, the following topics:

27 (i) Professional conduct, ethics, and patient confidentiality; and

28 (ii) Informational developments in the field of medical use of marijuana.

29 (15) Each compassion center entity shall provide each employee, agent, and volunteer, at
30 the time of his or her initial appointment, training in the following:

31 (i) The proper use of security measures and controls that have been adopted; and

32 (ii) Specific procedural instructions on how to respond to an emergency, including
33 robbery or violent accident.

34 (16) All compassion centers shall prepare training documentation for each employee and

1 volunteer and have employees and volunteers sign a statement indicating the date, time, and place
2 the employee and volunteer received said training and topics discussed, to include name and title
3 of presenters. The compassion center shall maintain documentation of an employee's and a
4 volunteer's training for a period of at least six (6) months after termination of an employee's
5 employment or the volunteer's volunteering.

6 (g) Maximum amount of usable marijuana to be dispensed:

7 (1) A compassion center or principal officer, board member, agent, volunteer, or
8 employee of a compassion center may not dispense more than ~~two and one half ounces (2.5~~ three
9 (3oz.) of ~~dried usable~~ marijuana, or its equivalent, to a patient cardholder or qualifying patient
10 directly or through a qualifying patient's primary caregiver or authorized purchaser during a
11 fifteen-day (15) period;

12 (2) A compassion center or principal officer, board member, agent, volunteer, or
13 employee of a compassion center may not dispense an amount of usable marijuana, or its
14 equivalent, ~~seedlings, or mature marijuana plants~~, to a patient cardholder, qualifying patient, a
15 qualifying patient's primary caregiver, or a qualifying patient's authorized purchaser that the
16 compassion center, principal officer, board member, agent, volunteer, or employee knows would
17 cause the recipient to possess more marijuana than is permitted under the Edward O. Hawkins
18 and Thomas C. Slater Medical Marijuana Act.

19 (3) Compassion centers shall utilize a database administered by the departments of health
20 and business regulation. The database shall contain~~s~~ all compassion centers' transactions
21 according to ~~qualifying~~ patients' cardholders, authorized purchasers', and primary caregivers'
22 registry identification numbers, or other means as specified by the department(s) to protect the
23 confidentiality of patient personal and medical information. Compassion centers will not have
24 access to any applications or supporting information submitted by qualifying patients, authorized
25 purchasers or primary caregivers. Before dispensing marijuana to any patient, caregiver, or
26 authorized purchaser, the compassion center must utilize the database to ensure that a ~~qualifying~~
27 patient cardholder is not dispensed more than ~~two and one half ounces (2.5~~ three (3) ounces of
28 dried usable marijuana or its equivalent directly or through the qualifying patient's primary
29 caregiver or authorized purchaser during a fifteen-day (15) period.

30 (h) Immunity:

31 (1) No ~~registered~~ licensed compassion center shall be subject to prosecution; search,
32 except by the departments pursuant to subsection (e); seizure; or penalty in any manner, or denied
33 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
34 business, occupational, or professional licensing board or entity, solely for acting in accordance

1 with this section to assist registered qualifying patients.

2 (2) No ~~registered~~ licensed compassion center shall be subject to prosecution, seizure, or
3 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
4 or disciplinary action, by a business, occupational, or professional licensing board or entity, for
5 selling, giving, or distributing marijuana in whatever form, and within the limits established by,
6 the department of health or the department of business regulation to another registered
7 compassion center.

8 (3) No principal officers, board members, agents, volunteers, or employees of a registered
9 compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any
10 manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary
11 action by a business, occupational, or professional licensing board or entity, solely for working
12 for or with a compassion center to engage in acts permitted by this section.

13 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
14 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
15 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
16 the scope of his or her employment regarding the administration, execution and/or enforcement of
17 this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

18 (i) Prohibitions:

19 (1) A compassion center must limit its inventory of ~~seedlings, plants, and~~ usable
20 marijuana to reflect the projected needs of qualifying patients; (i) A compassion center may not
21 cultivate marijuana or manufacture or process marijuana products pursuant to its compassion
22 center registration, provided that cultivation, processing and manufacture may be conducted
23 under a medical marijuana cultivator license and/or a medical marijuana processor license which
24 may be issued to a compassion center by the department of business regulation pursuant to
25 regulations promulgated by the department.

26 (ii) A compassion center which was approved by the department of health or renewed by
27 the department of business regulation prior to July 1, 2019 may also hold a medical marijuana
28 cultivator license and a medical marijuana processor license and shall be issued said license or
29 licenses in accordance with regulations promulgated by the department of business regulation,
30 provided that the class or classes of said medical marijuana cultivator license and medical
31 marijuana processor license shall correspond to the size and scope of any growing,
32 manufacturing, or processing facility or facilities which were in operation or were approved prior
33 to July 1, 2019.

34 (iii) A compassion center which is first approved by the department of business

1 regulation on or after July 1, 2019 may also hold a medical marijuana cultivator license and a
2 medical marijuana processor license in accordance with regulations promulgated by the
3 department of business regulation, provided the class or classes of said medical marijuana
4 cultivator license and medical marijuana processor license shall correspond to the size of any
5 growing, manufacturing, or processing facility or facilities which were licensed or approved by
6 the department of business regulation prior to July 1, 2019.

7 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
8 person other than a patient cardholder or to ~~such~~ qualified patient's primary caregiver or
9 authorized purchaser;

10 (3) A compassion center may not procure, purchase, transfer or sell marijuana to or from
11 any entity other than a marijuana establishment licensee in accordance with regulations
12 promulgated by the department of business regulation.

13 ~~(34)~~ A person found to have violated paragraph (2) or (3) this subsection may not be an
14 employee, agent, volunteer, principal officer, or board member of any compassion center;

15 ~~(45)~~ An employee, agent, volunteer, principal officer or board member of any
16 compassion center found in violation of paragraph (2) or (3) shall have his or her registry
17 identification revoked immediately; and

18 ~~(56)~~ No person who has been convicted of a felony drug offense or has entered a plea of
19 nolo contendere for a felony drug offense with a sentence or probation may be the principal
20 officer, board member, or agent, ~~volunteer, or employee~~ of a compassion center unless the
21 department has determined that the person's conviction was for the medical use of marijuana or
22 assisting with the medical use of marijuana in accordance with the terms and conditions of this
23 chapter. A person who is employed by or is an agent, volunteer, principal officer, or board
24 member of a compassion center in violation of this section is guilty of a civil violation punishable
25 by a fine of up to one thousand dollars (\$1,000). A subsequent violation of this section is a
26 misdemeanor.

27 (j) Legislative oversight committee:

28 (1) The general assembly shall appoint a nine-member (9) oversight committee
29 comprised of: one member of the house of representatives; one member of the senate; one
30 physician to be selected from a list provided by the Rhode Island medical society; one nurse to be
31 selected from a list provided by the Rhode Island state nurses association; two (2) registered
32 qualifying patients; one registered primary caregiver; one patient advocate to be selected from a
33 list provided by the Rhode Island patient advocacy coalition; and the superintendent of the
34 department of public safety, or his/her designee.

(2) The oversight committee shall meet at least six (6) times per year for the purpose of evaluating and making recommendations to the general assembly regarding:

- (i) Patients' access to medical marijuana;
- (ii) Efficacy of compassion centers;
- (iii) Physician participation in the Medical Marijuana Program;
- (iv) The definition of qualifying medical condition; and
- (v) Research studies regarding health effects of medical marijuana for patients.

(3) On or before January 1 of every even numbered year, the oversight committee shall report to the general assembly on its findings.

[\(k\) License required. No person or entity shall engage in activities described in this § 21-28.6-12 without a compassion center license issued by the department of business regulation.](#)

21-28.6-14. Cooperative cultivations.

(a) Two (2) or more qualifying cardholders may cooperatively cultivate marijuana in residential or non-residential locations subject to the following restrictions:

(1) Effective January 1, 2017, cooperative cultivations shall apply to the department of business regulation for a license to operate;

(2) A registered patient or primary caregiver cardholder can only cultivate in one location, including participation in a cooperative cultivation;

(3) No single location may have more than one cooperative cultivation. For the purposes of this section, location means one structural building, not units within a structural building;

(4) The cooperative cultivation shall not be visible from the street or other public areas;

(5) A written acknowledgement of the limitations of the right to use and possess marijuana for medical purposes in Rhode Island that is signed by each cardholder and is displayed prominently in the premises cooperative cultivation;

(6) Cooperative cultivations are restricted to the following possession limits:

(i) A non-residential, cooperative cultivation may have no more than ten (10) ounces of ~~usable~~ [dried](#) marijuana, or its equivalent, and an amount of wet marijuana set in regulations promulgated by the department of business regulation, forty-eight (48) mature marijuana plants, and forty-eight (48) seedlings;

(ii) A residential, cooperative cultivation may have no more than ten (10) ounces of [dried](#) ~~usable~~ marijuana, or its equivalent, and an amount of wet marijuana set in regulations promulgated by the departments of health and business regulation, twenty-four (24) mature marijuana plants, and twenty-four (24) seedlings;

(iii) A non-residential or residential, cooperative cultivation must have displayed

1 prominently on the premises its license issued by the department of business regulation;

2 (iv) Every marijuana plant possessed by a cooperative cultivation must be accompanied
3 by a valid medical marijuana tag issued by the department of business regulation pursuant to §
4 21-28.6-15. Each cooperative cultivation must purchase at least one medical marijuana tag in
5 order to remain a licensed cooperative cultivation; and

6 (v) Cooperative cultivations are subject to reasonable inspection by the department of
7 business regulation for the purposes of enforcing regulations promulgated pursuant to this chapter
8 and all applicable Rhode Island general laws.

9 (7) Cooperative cultivations must be inspected as follows:

10 (i) A non-residential, cooperative cultivation must have displayed prominently on the
11 premises documentation from the municipality where the single location is located that the
12 location and the cultivation has been inspected by the municipal building and/or zoning official
13 and the municipal fire department and is in compliance with any applicable state or municipal
14 housing and zoning codes; and

15 (ii) A residential, cooperative cultivation must have displayed prominently on the
16 premises an affidavit by a licensed electrician that the cultivation has been inspected and is in
17 compliance with any applicable state or municipal housing and zoning codes for the municipality
18 where the cooperative cultivation is located.

19 (8) Cooperative cultivations must report the location of the cooperative cultivation to the
20 department of public safety.

21 (9) The reports provided to the department of public safety in subsection (8) of this
22 section shall be confidential, but locations may be confirmed for law enforcement purposes. The
23 report of the location of the cooperative cultivation alone shall not constitute probable cause for a
24 search of the cooperative cultivation.

25 (10) The department of business regulation shall promulgate regulations governing the
26 licensing and operation of cooperative cultivations, and may promulgate regulations that set a fee
27 for a cooperative cultivation license.

28 (b) Any violation of any provision of this chapter or regulations promulgated hereunder
29 as determined by the department of business regulation may result in the revocation/suspension of
30 the cooperative cultivation license.

31 (c) License required. No person or entity shall engage in activities described in this § 21-
32 28.6-14 without a cooperative cultivation license issued by the department of business regulation.

33 (d) Effective July 1, 2019, except as to cooperative cultivator licenses issued by the
34 department of business regulation before July 1, 2019, the department of business regulation shall

1 no longer accept applications or renewals for licensed cooperative cultivations and cooperative
2 cultivations shall no longer be permitted.

3 (e) Effective July 1, 2019, except as permitted in regulations promulgated by the
4 department of business regulation, not more than one registered cardholder shall be permitted to
5 grow marijuana in a dwelling unit or commercial unit, except for two (2) or more qualifying
6 patient or primary caregiver cardholder(s) who are primary residents of the same dwelling unit
7 where the medical marijuana plants are grown and in all instances subject to the plant limits in §
8 21-28.6-4(p).

9 **21-28.6-15. Medical marijuana plant tags.**

10 (a) Effective January 1, 2017, the department of business regulation shall make medical
11 marijuana tag sets available for purchase. Effective April 1, 2017, every marijuana plant, either
12 mature or ~~seedling~~ immature, grown by a registered patient or primary caregiver, must be
13 accompanied by a physical medical marijuana tag purchased through the department of business
14 regulation and issued by the ~~department of health~~ department of business regulation to qualifying
15 patients and primary caregivers or by the department of business regulation to licensed
16 cultivators.

17 (1) The department of business regulation shall charge an annual fee for each medical
18 marijuana tag set, which shall include one tag for a mature medical marijuana plant and one tag
19 for ~~a seedling~~ an immature plant. If the required fee has not been paid, those medical marijuana
20 tags shall be considered expired and invalid. The fee established by the department of business
21 regulation shall be in accordance with the following requirements:

22 (i) For patient cardholders authorized to grow medical marijuana by the ~~department of~~
23 ~~health~~ department of business regulation, the fee per tag set shall not exceed twenty-five dollars
24 (\$25);

25 (ii) For primary caregivers, the fee per tag set shall not exceed twenty-five dollars (\$25);

26 (iii) For patients who qualify for reduced registration due to income or disability status,
27 there shall be no fee per tag set;

28 (iv) For caregivers who provide care for a patient cardholder who qualifies for reduced-
29 registration due to income or disability status, there shall be no fee per tag set for such qualifying
30 patient; and

31 (v) For licensed medical marijuana cultivators, the fee per tag set shall be established in
32 regulations promulgated by the department of business regulation.

33 (2) ~~Effective January 1, 2017, t~~The department of business regulation shall verify ~~with~~
34 ~~the department of health~~ that all medical marijuana tag purchases are made by qualifying patient

1 cardholders or primary caregiver cardholders as applicable. ~~The department of health shall~~
2 ~~provide this verification according to qualifying patients' and primary caregivers' registry~~
3 ~~identification numbers and without providing access to any applications or supporting~~
4 ~~information submitted by qualifying patients to protect patient confidentiality;~~

5 (3) Effective ~~January~~ July 1, 201~~7~~9, and thereafter, the department of business regulation
6 shall verify ~~with the department of health~~ that all medical marijuana tag purchases are made by
7 ~~registered patient cardholders, who have notified the department of health of their election to~~
8 ~~grow medical marijuana, or~~ primary caregiver cardholders in accordance with regulations
9 promulgated by the department. ~~The department of health shall provide this verification~~
10 ~~according to qualifying patients' and primary caregivers' registry identification numbers and~~
11 ~~without providing access to any applications or supporting information submitted by qualifying~~
12 ~~patients to protect patient confidentiality;~~

13 (4) The department of business regulation shall maintain information pertaining to
14 medical marijuana tags and shall share that information with the department of health.

15 (5) All primary caregivers shall purchase at least one medical marijuana tag set for each
16 patient under their care and all patients growing medical marijuana for themselves or serving as
17 their own caregiver shall purchase at least one medical marijuana tag set.

18 (6) All licensed medical marijuana cultivators shall purchase at least one medical
19 marijuana tag set or utilize a seed to sale tracking system in accordance with regulations
20 promulgated by the department of business regulation.

21 (7) The departments of business regulation ~~and health~~ shall ~~jointly~~ promulgate
22 regulations to establish a process by which medical marijuana tags may be returned ~~to either~~
23 ~~department~~. The department of business regulation may choose to reimburse a portion or the
24 entire amount of any fees paid for medical marijuana tags that are subsequently returned.

25 (b) Enforcement:

26 (1) If a patient cardholder, primary caregiver cardholder, licensed medical marijuana
27 processor, compassion center, or licensed medical marijuana cultivator violates any provision of
28 this chapter or the regulations promulgated hereunder as determined by the departments of
29 business regulation ~~and~~ or health, his or her medical marijuana tags may be revoked. In addition,
30 the department that issued the cardholder's registration or the license may revoke the cardholder's
31 registration or license ~~pursuant to § 21-28.6-9~~.

32 (2) The department of business regulation may revoke and not reissue, pursuant to
33 regulations, medical marijuana tags to any cardholder or licensee who is convicted of; placed on
34 probation; whose case is filed pursuant to § 12-10-12 where the defendant pleads nolo

1 contendere; or whose case is deferred pursuant to § 12-19-19 where the defendant pleads nolo
2 contendere for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled
3 Substances Act") or a similar offense from any other jurisdiction.

4 (3) If a patient cardholder, primary caregiver cardholder, licensed cooperative cultivation,
5 [compassion center, licensed medical marijuana processor](#) licensed [medical marijuana](#) cultivator
6 [or any other person or entity](#) is found to have ~~mature~~ marijuana plants, [or marijuana material](#)
7 without valid medical marijuana [tags sets or which are not tracked in accordance with regulation,](#)
8 the ~~department of health or~~ [department of business regulation](#) shall impose an administrative
9 penalty [in accordance with regulations promulgated by the department](#) on [such](#) the patient
10 cardholder, primary caregiver cardholder, licensed cooperative cultivation, [compassion center,](#)
11 [licensed medical marijuana processor,](#) or licensed [medical marijuana](#) cultivator [or other person or](#)
12 [entity](#) for each untagged ~~mature~~ marijuana plant [or unit of untracked marijuana material](#) ~~not in~~
13 ~~excess of the limits set forth in § 21-28.6-4, § 21-28.6-14 and § 21-28.6-16 of no more than the~~
14 ~~total fee that would be paid by a cardholder or licensee who purchased medical marijuana tags for~~
15 ~~such plants in compliance with this chapter.~~

16 ~~(4) If a patient cardholder, primary caregiver cardholder, or licensed cooperative~~
17 ~~cultivation is found to have mature marijuana plants exceeding the limits set forth in § 21-28.6-4,~~
18 ~~§ 21-28.6-14, and § 21-28.6-16 in addition to any penalties that may be imposed pursuant to § 21-~~
19 ~~28.6-9, the department of health or department of business regulation may impose an~~
20 ~~administrative penalty on that cardholder or license holder for each mature marijuana plant in~~
21 ~~excess of the applicable statutory limit of no less than the total fee that would be paid by a~~
22 ~~cardholder who purchased medical marijuana tags for such plants in compliance with this chapter.~~

23 **21-28.6-16. Licensed medical marijuana cultivators.**

24 (a) A licensed [medical marijuana](#) cultivator licensed under this section may acquire,
25 possess, cultivate, deliver, or transfer marijuana to licensed compassion centers, [to a licensed](#)
26 [medical marijuana processor, to another licensed medical marijuana cultivator, or to any other](#)
27 [marijuana establishment licensee, in accordance with regulations promulgated by the department](#)
28 [of business regulation.](#) A licensed [medical marijuana](#) cultivator shall not be a primary caregiver
29 cardholder and shall not hold a cooperative cultivation license. Except as specifically provided to
30 the contrary, all provisions of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana
31 Act, §§ 21-28.6-1 -- 21-28.6-15, apply to a licensed [medical marijuana](#) cultivator unless they
32 conflict with a provision contained in § 21-28.6-16.

33 (b) Licensing of [medical marijuana](#) cultivators -- Department of business regulation
34 authority. The department of business regulation shall promulgate regulations governing the

manner in which it shall consider applications for the licensing of [medical marijuana](#) cultivators, including regulations governing:

- (1) The form and content of licensing and renewal applications;
- (2) Minimum oversight requirements for licensed [medical marijuana](#) cultivators;
- (3) Minimum record-keeping requirements for cultivators;
- (4) Minimum security requirements for cultivators; and
- (5) Procedures for suspending, revoking, or terminating the license of cultivators that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

(c) A licensed [medical marijuana](#) cultivator license issued by the department of business regulation shall expire one year after it was issued and the licensed [medical marijuana](#) cultivator may apply for renewal with the department in accordance with its regulations pertaining to licensed [medical marijuana](#) cultivators.

(d) The department of business regulation shall promulgate regulations that govern how many marijuana plants, ~~how many marijuana seedlings~~ [mature and immature](#), how much wet marijuana, and how much usable marijuana a licensed [medical marijuana](#) cultivator may possess. Every marijuana plant possessed by a licensed [medical marijuana](#) cultivator must be accompanied by valid medical marijuana tag issued by the department of business regulation pursuant to § 21-28.6-15 [or catalogued in a seed to sale inventory tracking system in accordance with regulations promulgated by the department of business regulation](#). ~~Each cultivator must purchase at least one medical marijuana tag in order to remain a licensed cultivator.~~

(e) [Medical marijuana](#) cultivators shall only sell marijuana to compassion centers, [a licensed medical marijuana processor, another licensed medical marijuana cultivator, or other marijuana establishment licensee, in accordance with regulations promulgated by the department of business regulation](#). All marijuana possessed by a cultivator in excess of the possession limit established pursuant to subsection (d) shall be under formal agreement to be purchased by a marijuana establishment [in accordance with regulations promulgated by the department of business regulation](#) ~~compassion center~~. If such excess marijuana is not under formal agreement to be purchased, the cultivator will have a period of time, specified in regulations promulgated by the department of business regulation, to sell or destroy that excess marijuana. The department may suspend and/or revoke the cultivator's license and the license of any officer, director, employee, or agent of such cultivator and/or impose an administrative penalty in accordance with such regulations promulgated by the department for any violation of this section or the regulations. In addition, any violation of this section or the regulations promulgated pursuant to this subsection and subsection (d) shall cause a licensed [medical marijuana](#) cultivator to lose the

1 protections described in subsection (m) and may subject the licensed [medical marijuana](#) cultivator
2 to arrest and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances
3 Act).

4 (f) [Medical marijuana](#) cultivators shall be subject to any regulations promulgated by the
5 department of health or department of business regulation that specify how marijuana must be
6 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants.

7 (g) [Medical marijuana](#) cultivators shall be subject to any product labeling requirements
8 promulgated by the department of business regulation and the department of health.

9 (h) Notwithstanding any other provisions of the general laws, the manufacture or
10 processing of marijuana using a solvent extraction process that includes the use of a compressed,
11 flammable gas as a solvent by a licensed [medical marijuana](#) cultivator shall not be subject to the
12 protections of this chapter.

13 (i) [Medical marijuana](#) cultivators shall only be licensed to grow marijuana at a single
14 location, registered with the department of business regulation and the department of public
15 [safety unless the cultivator's license is held by a compassion center which was approved by the](#)
16 [department of health or renewed by the department of business regulation prior to July 1, 2019.](#)

17 The department of business regulation may promulgate regulations governing where cultivators
18 are allowed to grow. [Medical marijuana](#) cultivators must abide by all local ordinances, including
19 zoning ordinances.

20 (j) Inspection. [Medical marijuana](#) cultivators shall be subject to reasonable inspection by
21 the department of business regulation or the department of health for the purposes of enforcing
22 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

23 (k) The cultivator applicant, [unless they are an employee with no equity, ownership,](#)
24 [financial interest, or managing control,](#) shall apply to the bureau of criminal identification of the
25 department of attorney general, department of public safety division of state police, or local
26 police department for a national criminal records check that shall include fingerprints submitted
27 to the Federal Bureau of Investigation. Upon the discovery of any disqualifying information as
28 defined in subdivision (k)(2), and in accordance with the rules promulgated by the director of the
29 department of business regulation, the bureau of criminal identification of the department of
30 attorney general, department of public safety division of state police, or the local police
31 department shall inform the applicant, in writing, of the nature of the disqualifying information;
32 and, without disclosing the nature of the disqualifying information, shall notify the department of
33 business regulation, in writing, that disqualifying information has been discovered.

34 (1) In those situations in which no disqualifying information has been found, the bureau

1 of criminal identification of the department of attorney general, department of public safety
2 division of state police, or the local police department shall inform the applicant and the
3 department of business regulation, in writing, of this fact.

4 (2) Information produced by a national criminal records check pertaining to a conviction
5 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
6 sentence of probation shall result in a letter to the applicant and the department of business
7 regulation disqualifying the applicant.

8 (3) The ~~except for employees~~ cultivator applicant shall be responsible for any expense
9 associated with the national criminal records check.

10 (1) Persons issued medical marijuana cultivator licenses shall be subject to the following:

11 (1) A licensed medical marijuana cultivator cardholder shall notify and request approval
12 from the department of business regulation of any change in his or her name or address within ten
13 (10) days of such change. A cultivator cardholder who fails to notify the department of business
14 regulation of any of these changes is responsible for a civil infraction, punishable by a fine of no
15 more than one hundred fifty dollars (\$150).

16 (2) When a licensed medical marijuana cultivator cardholder notifies the department of
17 business regulation of any changes listed in this subsection, the department of business regulation
18 shall issue the cultivator cardholder a new ~~license~~ registry identification card after the department
19 approves the changes and receives from the licensee payment of a fee specified in regulation.

20 (3) If a licensed medical marijuana cultivator cardholder loses his or her ~~license card~~, he
21 or she shall notify the department of business regulation and submit a fee specified in regulation
22 within ten (10) days of losing the ~~license card~~. The department of business regulation shall issue a
23 new ~~license card~~ with a new random identification number.

24 (4) A licensed medical marijuana cultivator cardholder shall notify the department of
25 business regulation of any disqualifying criminal convictions as defined in subdivision (k)(2).
26 The department of business regulation may choose to suspend and/or revoke his or her license
27 ~~license card~~ after such notification.

28 (5) If a licensed medical marijuana cultivator or cultivator cardholder violates any
29 provision of this chapter or regulations promulgated hereunder as determined by the department
30 of business regulation, his or her card and the issued license may be suspended and/or revoked.

31 (m) Immunity:

32 (1) No licensed medical marijuana cultivator shall be subject to prosecution; search,
33 except by the departments pursuant to subsection (j); seizure; or penalty in any manner, or denied
34 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a

1 business, occupational, or professional licensing board or entity, solely for acting in accordance
2 with this section ~~to assist registered qualifying~~;

3 (2) No licensed [medical marijuana](#) cultivator shall be subject to prosecution, seizure, or
4 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
5 or disciplinary action by a business, occupational, or professional licensing board or entity, for
6 selling, giving, or distributing marijuana in whatever form and within the limits established by the
7 department of business regulation to a [licensed medical marijuana processor or](#) registered
8 compassion center.

9 (3) No principal officers, board members, agents, volunteers, or employees of a licensed
10 [medical marijuana](#) cultivator shall be subject to arrest, prosecution, search, seizure, or penalty in
11 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
12 disciplinary action by a business, occupational, or professional licensing board or entity, solely
13 for working for or with a licensed [medical marijuana](#) cultivator to engage in acts permitted by this
14 section.

15 (4) No state employee shall be subject to arrest, prosecution, or penalty in any manner, or
16 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
17 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
18 the scope of his or her employment regarding the administration, execution, and/or enforcement
19 of this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

20 [\(n\) License required. No person or entity shall engage in activities described in this § 21-](#)
21 [28.6-16 without a medical marijuana cultivator license issued by the department of business](#)
22 [regulation.](#)

23 **21-28.6-16.2. Medical marijuana testing laboratories -- Immunity.**

24 (a) No ~~medical-marijuana~~ [cannabis testing](#) laboratory shall be subject to prosecution;
25 search (except by the departments pursuant to regulations); seizure; or penalty in any manner, or
26 denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
27 business, occupational, or professional licensing board or entity, solely for acting in accordance
28 with the act and regulations promulgated hereunder to assist licensees.

29 (b) No ~~medical-marijuana~~ [cannabis](#) testing laboratory shall be subject to prosecution,
30 search (except by the departments pursuant to regulations), seizure, or penalty in any manner, or
31 denied any right or privilege, including, but not limited to, civil penalty or disciplinary action, by
32 a business, occupational, or professional licensing board or entity, for selling, giving, or
33 distributing marijuana in whatever form, and within the limits established by, the department of
34 health to another ~~medical-marijuana~~ [cannabis](#) testing laboratory.

1 (c) No principal officers, board members, agents, volunteers, or employees of a ~~medical~~
2 ~~marijuana~~ cannabis testing laboratory shall be subject to arrest, prosecution, search, seizure, or
3 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
4 or disciplinary action by a business, occupational, or professional licensing board or entity, solely
5 for working for or with a ~~medical-marijuana~~ cannabis testing laboratory to engage in acts
6 permitted by the act and the regulations promulgated hereunder.

7 (d) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
8 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
9 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
10 the scope of his or her employment regarding the administration, execution and/or enforcement of
11 this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

12 **21-28.6-17. Revenue.**

13 (a) Effective July 1, 2016, all fees collected by the departments of health and business
14 regulation from applicants, registered patients, primary caregivers, authorized purchasers,
15 licensed medical marijuana cultivators, licensed medical marijuana processors, cooperative
16 cultivations, compassion centers, other licensees licensed pursuant to this chapter, and
17 compassion-center and other registry identification cardholders shall be placed in restricted-
18 receipt accounts to support the state's medical marijuana program, including but not limited to,
19 payment of expenses incurred by the departments of health and business regulation for the
20 administration of the program. The restricted receipt account will be known as the “medical
21 marijuana licensing account” or the “medical marijuana licensing program” account and will be
22 housed within the budgets of the departments of business regulation, health, revenue and public
23 safety, and the executive office of health and human services. All amounts deposited into the
24 medical marijuana licensing account or the marijuana licensing program account shall be exempt
25 from the indirect cost recovery provisions of § 35-4-27.

26 (b) All revenues remaining in the restricted-receipt accounts after payments specified in
27 subsection (a) of this section shall first be paid to cover any existing deficit in the department of
28 health's restricted-receipt account or the department of business regulation's restricted-receipt
29 account. These transfers shall be made annually on the last business day of the fiscal year.

30 (c) All revenues remaining in the restricted-receipt accounts after payments specified in
31 subsections (a) and (b) shall be paid into the state's general fund. These payments shall be made
32 annually on the last business day of the fiscal year.

33 SECTION 6. Chapter 21-28.6 of the General Laws entitled “The Edward O. Hawkins and
34 Thomas C. Slater Medical Marijuana Act” is hereby amended by adding thereto the following

sections:

21-28.6-16.1 Licensed medical marijuana processors.

(a) A medical marijuana processor licensed under this section may acquire marijuana from licensed medical marijuana cultivators, another licensed medical marijuana processor, compassion centers, or another marijuana establishment licensee, in accordance with regulations promulgated by the department of business regulation. A licensed medical marijuana processor may possess, manufacture, or process marijuana into marijuana products in accordance with regulations promulgated by the department of business regulation. A licensed medical marijuana processor may deliver, or transfer marijuana products to licensed compassion centers or another licensed medical marijuana processor, or any other marijuana establishment licensee, in accordance with regulations promulgated by the department of business regulation. A licensed medical marijuana processor shall not be a primary caregiver cardholder and shall not hold a cooperative cultivation license. A licensed medical marijuana processor shall not grow, cultivate, sell, or dispense medical marijuana unless the licensed medical marijuana processor has also been issued a medical marijuana cultivator license or compassion center registration by the department of business regulation and pursuant to regulations promulgated by the department of business regulation. The department of business regulation may restrict the number, types, and classes of medical marijuana licenses an applicant may be issued through regulations promulgated by the department. Except as specifically provided to the contrary, all provisions of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, §§ 21-28.6-1 et seq., apply to a licensed medical marijuana processor unless they conflict with a provision contained in this § 21-28.6-16.1.

(b) Licensing of medical marijuana processor – Department of business regulation authority. The department of business regulation shall promulgate regulations governing the manner in which it shall consider applications for the licensing of medical marijuana processors, including but not limited to regulations governing:

(1) The form and content of licensing and renewal applications;

(2) Minimum oversight requirements for licensed medical marijuana processors;

(3) Minimum record-keeping requirements for medical marijuana processors;

(4) Minimum security requirements for medical marijuana processors; and

(5) Procedures for suspending, revoking, or terminating the license of medical marijuana processors that violate any provisions of this chapter or the regulations promulgated hereunder.

(6) Applicable application and license fees.

(c) A medical marijuana processor license issued by the department of business

1 regulation shall expire one year after it was issued and the licensed medical marijuana processor
2 may apply for renewal with the department in accordance with its regulations pertaining to
3 licensed medical marijuana processors.

4 (d) The department of business regulation may promulgate regulations that govern how
5 much marijuana a licensed medical marijuana processor may possess. All marijuana possessed by
6 a licensed medical marijuana processor must be catalogued in a seed to sale inventory tracking
7 system in accordance with regulations promulgated by the department of business regulation.

8 (e) Medical marijuana processors shall only sell processed or manufactured marijuana
9 products to licensed compassion centers, another licensed medical marijuana processor or a
10 marijuana establishment licensee, in accordance with regulations promulgated by the department
11 of business regulation. The department may suspend and/or revoke the medical marijuana
12 processor's license and the license of any officer, director, employee, or agent of such medical
13 marijuana processor and/or impose an administrative penalty in accordance with such regulations
14 promulgated by the department for any violation of this section or the regulations. In addition,
15 any violation of this section or the regulations promulgated pursuant to this subsection and
16 subsection (d) shall cause a licensed medical marijuana processor to lose the protections
17 described in subsection (m) and may subject the licensed medical marijuana processor to arrest
18 and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances Act).

19 (f) Medical marijuana processors shall be subject to any regulations promulgated by the
20 department of health or department of business regulation that specify how marijuana must be
21 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants;

22 (g) Medical marijuana processors shall be subject to any product labeling requirements
23 promulgated by the department of business regulation and the department of health;

24 (h) Medical marijuana processors shall only be licensed to manufacture and process
25 marijuana at a single location, registered with the department of business regulation and the
26 department of public safety unless the medical marijuana processor license is held by a registered
27 compassion center which was approved by the department of health or renewed by the
28 department of business regulation prior to July 1, 2019. The department of business regulation
29 may promulgate regulations governing where medical marijuana processors are allowed to
30 operate. Medical marijuana processors must abide by all local ordinances, including zoning
31 ordinances.

32 (i) Inspection. Medical marijuana processors shall be subject to reasonable inspection by
33 the department of business regulation or the department of health for the purposes of enforcing
34 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

1 (j) The medical marijuana processor applicant, unless they are an employee with no
2 equity, ownership, financial interest, or managing control, shall apply to the bureau of criminal
3 identification of the department of attorney general, department of public safety division of state
4 police, or local police department for a national criminal records check that shall include
5 fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
6 disqualifying information as defined in subdivision (j)(2), and in accordance with the rules
7 promulgated by the director of the department of business regulation, the bureau of criminal
8 identification of the department of attorney general, department of public safety division of state
9 police, or the local police department shall inform the applicant, in writing, of the nature of the
10 disqualifying information; and, without disclosing the nature of the disqualifying information,
11 shall notify the department of business regulation, in writing, that disqualifying information has
12 been discovered.

13 (1) 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 department shall inform the applicant and the
16 department of business regulation, in writing, of this fact.

17 (2) Information produced by a national criminal records check pertaining to a conviction
18 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
19 sentence of probation shall result in a letter to the applicant and the department of business
20 regulation disqualifying the applicant.

21 (3) The medical marijuana processor applicant, unless an employee, shall be responsible
22 for any expense associated with the national criminal records check.

23 (k) Persons issued medical marijuana processor licenses or registration card shall be
24 subject to the following:

25 (1) A licensed medical marijuana processor cardholder shall notify and request approval
26 from the department of business regulation of any change in his or her name or address within ten
27 (10) days of such change. A medical marijuana processor cardholder who fails to notify the
28 department of business regulation of any of these changes is responsible for a civil infraction,
29 punishable by a fine of no more than one hundred fifty dollars (\$150).

30 (2) When a licensed medical marijuana processor cardholder notifies the department of
31 business regulation of any changes listed in this subsection, the department of business regulation
32 shall issue the medical marijuana processor cardholder a new license or registry identification
33 card after the department approves the changes and receives from the licensee payment of a fee
34 specified in regulation.

1 (3) If a licensed medical marijuana processor cardholder loses his or her registry
2 identification card, he or she shall notify the department of business regulation and submit a fee
3 specified in regulation within ten (10) days of losing the registry identification card. The
4 department of business regulation shall issue a new registry identification card with a new
5 random identification number.

6 (4) A licensed medical marijuana processor cardholder shall notify the department of
7 business regulation of any disqualifying criminal convictions as defined in subdivision (j)(2). The
8 department of business regulation may choose to suspend and/or revoke his or her card after such
9 notification.

10 (5) If a licensed medical marijuana processor or medical marijuana processor cardholder
11 violates any provision of this chapter or regulations promulgated hereunder as determined by the
12 department of business regulation, his or her card or the issued license may be suspended and/or
13 revoked.

14 (l) Immunity:

15 (1) No licensed medical marijuana processor shall be subject to prosecution; search,
16 except by the departments pursuant to subsection (j); seizure; or penalty in any manner, or denied
17 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
18 business, occupational, or professional licensing board or entity, solely for acting in accordance
19 with this chapter;

20 (2) No licensed medical marijuana processor shall be subject to prosecution, seizure, or
21 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
22 or disciplinary action by a business, occupational, or professional licensing board or entity, for
23 selling, giving, or distributing marijuana in whatever form and within the limits established by the
24 department of business regulation to another licensed medical marijuana processor or registered
25 compassion center;

26 (3) No principal officers, board members, agents, volunteers, or employees of a licensed
27 medical marijuana processor shall be subject to arrest, prosecution, search, seizure, or penalty in
28 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
29 disciplinary action by a business, occupational, or professional licensing board or entity, solely
30 for working for or with a licensed medical marijuana processor to engage in acts permitted by this
31 section.

32 (4) No state employee shall be subject to arrest, prosecution, or penalty in any manner, or
33 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
34 termination, or loss of employee or pension benefits, for any and all conduct that occurs within

1 the scope of his or her employment regarding the administration, execution, and/or enforcement
2 of this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

3 (m) License required. No person or entity shall engage in activities described in this §
4 21-28.6-16.1 without a medical marijuana processor license issued by the department of business
5 regulation.

6 **21-28.6-16.3. Other Supporting Medical Marijuana Licenses.**

7 (a) The department of business regulation shall have the authority to promulgate
8 regulations to create and implement additional types and classes of commercial medical
9 marijuana licenses, including but not limited to, licenses for businesses to engage in marijuana
10 destruction, delivery, disposal, research and development, transportation or any other commercial
11 activity needed to support licensed medical marijuana cultivators, licensed medical marijuana
12 processors, compassion centers, licensed cannabis testing facilities and patient need; provided no
13 license created by the department shall allow for the retail sale of medical marijuana to registered
14 cardholders.

15 (b) The department of business regulation shall promulgate regulations governing the
16 manner in which it shall consider applications for issuing additional medical marijuana licenses,
17 including but not limited to, regulations governing:

18 (1) The form and content of licensing and renewal applications;

19 (2) Minimum oversight requirements for additional medical marijuana license holders;

20 (3) Minimum record-keeping requirements for additional medical marijuana license
21 holders;

22 (4) Minimum security requirements for additional medical marijuana license holders;

23 (5) Procedures for suspending, revoking, or terminating the licenses of licensees that
24 violate the provisions of this chapter or the regulations promulgated pursuant to this chapter; and

25 (6) Applicable application and license fees.

26 (c) Any applicant, employee, officer, director, manager, member or agent of a holder of a
27 license issued by the department of business regulation pursuant to this section and the
28 regulations shall be required to obtain a registry identification card from the division subject to
29 the requirements and fees set by the department pursuant to the regulations provided that
30 employees with no ownership, equity stake, financial interest, or managing control shall not be
31 required to submit to a criminal background check to obtain a registry identification card.

32 (d) With respect to any licenses and registrations issued by the department of business
33 regulation pursuant to this chapter, the department of business regulation shall be entitled to
34 charge application, license and registration fees as set by the department of business regulation

1 [and set forth in regulations promulgated here under.](#)

2 SECTION 7. Title 21 of the General Laws entitled "FOOD AND DRUGS" is hereby
3 amended by adding thereto the following chapters 28.10 and 28.11:

4 [CHAPTER 28.10](#)

5 [ADULT USE OF MARIJUANA ACT](#)

6 **21-28.10-1. Short title.**

7 [This chapter shall be known and may be cited as the "Adult Use of Marijuana Act."](#)

8 **21-28.10-2. Legislative Findings.**

9 [The general assembly finds and declares that:](#)

10 [\(1\) Prohibiting the possession, cultivation, and sale of cannabis to adults has proven to be](#)
11 [an ineffective policy for the State of Rhode Island. In the absence of a legal, tightly regulated](#)
12 [market, an illicit cannabis industry has thrived, undermining the public health, safety and welfare](#)
13 [of Rhode Islanders.](#)

14 [\(2\) Regional and national shifts in cannabis policy are providing Rhode Island adults with](#)
15 [easy access to cannabis and marijuana products manufactured and sold from other states,](#)
16 [contributing to the funds these states use to safeguard public health, safety and welfare within](#)
17 [their borders, while providing no funds to the State of Rhode Island to address the public health,](#)
18 [safety and welfare externalities that come with increased access to cannabis, including marijuana.](#)

19 [\(3\) It is in the best interests of the of the State of Rhode Island to implement a new](#)
20 [regulatory framework and tax structure for the commercial production and sale of cannabis and](#)
21 [cannabis products, all aspects of which shall be tightly regulated and controlled by the provisions](#)
22 [of this act and the office of cannabis regulation created herein, the revenue from which is to be](#)
23 [used to tightly regulate cannabis and cannabis products and to study and mitigate the risks and](#)
24 [deleterious impacts that cannabis and marijuana use may have on the citizens and State of Rhode](#)
25 [Island.](#)

26 **21-28.10-3. Definitions.**

27 [For purposes of this chapter:](#)

28 [\(1\) "Cannabis" means all parts of the plant of the genus marijuana, also known as](#)
29 [marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any](#)
30 [part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation](#)
31 [of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency](#)
32 [including "marijuana", and "industrial hemp" or "industrial hemp products" which satisfy the](#)
33 [requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.](#)

34 [\(2\) "Department" or "department of business regulation" means the office of cannabis](#)

1 regulation within the department of business regulation or its successor agency.

2 (3) "Dwelling unit" means a room or group of rooms within a residential dwelling
3 used or intended for use by one family or household, or by no more than three (3) unrelated
4 individuals, with facilities for living, sleeping, sanitation, cooking, and eating.

5 (4) "Industrial Hemp" means the plant of the genus cannabis and any part of such plant,
6 whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed
7 three-tenths percent (0.3%) on a dry-weight basis of any part of the plant cannabis, or per volume
8 or weight of cannabis product or the combined percent of delta-9 tetrahydrocannabinol and
9 tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content,
10 which satisfy the requirements of chapter 2-26 of the general laws and the regulations
11 promulgated thereunder.

12 (5) "Industrial Hemp products" means all products made from industrial hemp plants,
13 including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, paint, paper,
14 construction materials, plastics, seed, seed meal, seed oil, and certified for cultivation which
15 satisfy the requirements of chapter 2-26 of the general laws and the regulations promulgated
16 thereunder.

17 (6) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
18 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
19 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
20 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
21 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
22 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
23 plant which is incapable of germination. Marijuana shall not include "industrial hemp" or
24 industrial hemp products" which satisfy the requirements of chapter 2-26 of the general laws and
25 the regulations promulgated thereunder.

26 (7) "Marijuana cultivation facility" means an entity that is licensed pursuant to
27 chapter 21-28.11 of title 21, to be exempt from state penalties for cultivating, preparing,
28 packaging, and selling or transferring marijuana to a marijuana retailer, marijuana processor,
29 another marijuana cultivation facility, cannabis testing laboratory, or another marijuana
30 establishment licensed by the office of cannabis regulation, in accordance with regulations
31 promulgated by the office of cannabis regulation but not for manufacturing, processing or
32 selling marijuana products or selling marijuana at retail or otherwise to the general public.

33 (8) "Marijuana establishment" and "marijuana establishment licensee" means any
34 person or entity licensed by the office of cannabis regulation under chapter 21-28.11 or chapter

1 21-28.6 whose license permits it to engage in or conduct activities in connection with the adult
2 use marijuana industry or medical marijuana program and includes but is not limited to a
3 licensed marijuana cultivation facility, marijuana processor, marijuana retailer, marijuana
4 testing facility, compassion center, medical marijuana cultivator, medical marijuana processor, or
5 any other license issued by the office of cannabis regulation under chapter 21-28.11 or chapter
6 21-28.6 and/or as specified and defined in regulations promulgated by the office of cannabis
7 regulation.

8 (9) "Marijuana paraphernalia" means equipment, products, and materials which are
9 used or intended for use in planting, propagating, cultivating, growing, harvesting,
10 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
11 packaging, repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or
12 otherwise introducing marijuana into the human body.

13 (10) "Marijuana processor" means an entity licensed pursuant to chapter 21-28.11 of
14 title 21 to be exempt from state penalties for purchasing marijuana from marijuana
15 cultivation facilities, other marijuana processors, or other marijuana establishments, in
16 accordance with regulations promulgated by the office of cannabis regulation; and manufacturing
17 or processing marijuana products, selling, giving, or transferring marijuana products to a
18 marijuana retailer, marijuana testing facility, or other marijuana establishments, in accordance
19 with regulations promulgated by the office of cannabis regulation but not for selling marijuana or
20 marijuana products at retail or otherwise to the general public.

21 (11) "Marijuana products" means any form of marijuana, including concentrated
22 marijuana and products that are comprised of marijuana and other ingredients that are
23 intended for use or consumption, such as, but not limited to, extracts, infusions, edible
24 products, ointments, and tinctures, as further defined in regulations promulgated by the office of
25 cannabis regulation.

26 (12) "Marijuana retailer" means an entity that is licensed pursuant to chapter 21-28.11
27 of title 21 to be exempt from state penalties for purchasing marijuana from marijuana
28 cultivation facilities, marijuana processors, or other marijuana establishments in accordance with
29 regulations promulgated by the office of cannabis regulation, and selling marijuana, marijuana
30 products, and marijuana paraphernalia to customers who are twenty-one (21) years of age or older
31 in accordance with the provisions of this chapter, chapter 21-28.11 and rules and regulations
32 promulgated by the office of cannabis regulation.

33 (13) "Marijuana testing facility" and "cannabis testing laboratory" means a third party
34 analytical testing laboratory licensed by the departments of health and office of cannabis

regulation to collect and test samples of cannabis pursuant to regulations promulgated by the departments.

(14) "Office of cannabis regulation" means the office of cannabis regulation within the department of business regulation.

(15) "Public place" means any street, alley, park, sidewalk, public building other than individual dwellings, or any place of business or assembly open to or frequented by the public, and any other place to which the public has access.

(16) "Smoke" or "smoking" means heating to at least the point of combustion, causing plant material to burn, inhaling, exhaling, burning, or carrying any lighted or heated cigarette, pipe, weed, plant, other marijuana product in any manner or in any form intended for inhalation in any manner or form and includes but is not limited to the use of electronic cigarettes, electronic pipes, electronic marijuana delivery system products, or other similar products that rely on vaporization or aerosolization.

. (17) "State prosecution" means prosecution initiated or maintained by the state of Rhode Island or an agency or political subdivision of the state of Rhode Island.

(18) "Vaporize" or "vape" means heating below the point of combustion and resulting in a vapor or mist.

(19) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible, concentrated, or any other form, found to be equal to a portion of dried, marijuana, as defined by regulations promulgated by the office of cannabis regulation.

(20) "Cannabis plant" means a cannabis plant, rooted or unrooted, mature, or immature, with or without flowers or buds.

21-28.10-4. Exempt activities.

Effective from and after January 1, 2020, except as otherwise provided in this chapter:

(1) A person who is twenty-one (21) years of age or older is exempt from arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by any state or local licensing board, and state prosecution for solely engaging in the following acts:

(i) Actually or constructively using, obtaining, purchasing, transporting, or possessing one ounce (1 oz.) or less of marijuana plant material, or an equivalent amount of marijuana product as determined by regulations promulgated by the office of cannabis regulation, provided that a person who is twenty-one (21) years of age or older may only purchase one ounce (1 oz.) of marijuana plant material, or an equivalent amount of marijuana product as determined by regulations promulgated by the department of office of cannabis regulation per day;

1 (ii) Possessing in the person's primary residence in secured and locked storage five
2 ounces (5 oz) or less of marijuana plant material or an equivalent amount of marijuana product as
3 determined by regulations promulgated by the office of cannabis regulation, or possessing in any
4 dwelling unit used as the a primary residence by two or more persons who are each twenty-one
5 (21) years of age or older in secured and locked storage ten ounces (10 oz.) or less of
6 marijuana plant material or an equivalent amount of marijuana product as determined by
7 regulations promulgated by the office of cannabis regulation;

8 (iii) Controlling any premises or vehicle where persons who are twenty-one (21)
9 years of age or older possess, process, or store amounts of marijuana plant material and
10 marijuana products that are legal under state law under subsections (1)(i) and (1)(ii) of this
11 section, provided that any and all marijuana plant material and/or marijuana products in a vehicle
12 are sealed, unused, and in their original unopened packaging;

13 (iv) Giving away, without consideration, the amounts of marijuana and marijuana
14 products that are legal under state law under subsection (1)(i) of this section, if the recipient is
15 a person who is twenty-one (21) years of age or older, provided the gift or transfer of marijuana
16 is not advertised or promoted to the public and the gift or transfer of marijuana is not in
17 conjunction with the sale or transfer of any money, consideration or value, or another item or any
18 other services in an effort to evade laws governing the sale of marijuana;

19 (v) Aiding and abetting another person who is twenty-one (21) years of age or older
20 in the actions allowed under this chapter; and

21 (vi) Any combination of the acts described within subsections (1)(i) through (1)(v) of
22 this section, inclusive.

23 (2) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
24 retailer or any person who is twenty-one (21) years of age or older and acting in their
25 capacity as an owner, principal officer, partner, board member, employee, or agent of a retailer is
26 exempt from arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by
27 any state or local licensing board, and state prosecution for solely engaging in the following
28 acts:

29 (i) Actually or constructively transporting or possessing marijuana or marijuana
30 products that were purchased from a marijuana cultivation facility, a marijuana processor,
31 another marijuana retailer, or any other marijuana establishment in accordance with regulations
32 promulgated by the office of cannabis regulation;

33 (ii) Manufacturing, possessing, producing, obtaining, or purchasing marijuana
34 paraphernalia;

1 (iii) Selling, delivering, or transferring marijuana or marijuana products to another
2 retailer in accordance with regulations promulgated by the office of cannabis regulation;

3 (iv) Selling, transferring, or delivering, no more than, one ounce (1 oz.) of marijuana,
4 or an equivalent amount of marijuana product per day, or marijuana paraphernalia to any person
5 who is twenty-one (21) years of age or older, in accordance with regulations promulgated by the
6 office of cannabis regulation and within the transaction limits of this chapter, chapter 21-28.11
7 and transactions limits specified in regulations promulgated by the office of cannabis regulation;

8 (v) Transferring or delivering marijuana or marijuana products to a cannabis
9 testing facility in accordance with regulations promulgated by the office of cannabis regulation;

10 (vi) Controlling any premises or vehicle where marijuana, marijuana products,
11 and marijuana paraphernalia are possessed, sold, or deposited in a manner that is not in
12 conflict with this chapter or the regulations pursuant thereto; and

13 (vii) Any combination of the acts described within subsections (2)(i) through
14 (2)(vi) of this section, inclusive.

15 (3) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
16 cultivation facility or any person who is twenty-one (21) years of age or older and acting in
17 their capacity as an owner, principal officer, partner, board member, employee, or agent of a
18 marijuana cultivation facility is exempt from arrest, civil or criminal penalty, seizure or
19 forfeiture of assets, discipline by any state or local licensing board, and state prosecution for
20 solely engaging in the following acts:

21
22 (i) Cultivating, packing, processing, transporting, or manufacturing marijuana,
23 but not marijuana products, in accordance with regulations promulgated by the office of
24 cannabis regulation;

25 (ii) Transporting or possessing marijuana that was produced by the marijuana
26 cultivation facility or another marijuana establishment, in accordance with regulations
27 promulgated by the office of cannabis regulation;

28 (iii) Selling, delivering, or transferring marijuana to a marijuana retailer,
29 marijuana processor, a marijuana cultivation facility, or any other marijuana establishment, in
30 accordance with regulations promulgated by the office of cannabis regulation;

31 (iv) Purchasing marijuana from a marijuana cultivation facility;

32 (v) Delivering or transferring marijuana to a marijuana testing facility;

33 (vi) Controlling any premises or vehicle where marijuana is possessed,
34 manufactured, sold, or deposited, in accordance with regulations promulgated by the office of

1 cannabis regulation; and

2 (vii) Any combination of the acts described within subsections (3)(i) through (3)(vi)
3 of this section, inclusive.

4 (4) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
5 processor facility or any person who is twenty-one (21) years of age or older and acting in
6 their capacity as an owner, principal officer, partner, board member, employee, or agent of a
7 marijuana processor facility is exempt from arrest, civil or criminal penalty, seizure or
8 forfeiture of assets, discipline by any state or local licensing board, and state prosecution for
9 solely engaging in the following acts:

10 (i) Producing, manufacturing, packing, processing, or transporting marijuana
11 products, in accordance with regulations promulgated by the office of cannabis regulation;

12 (ii) Packing, processing, possessing, or transporting marijuana that was produced by a
13 marijuana cultivation center in accordance with regulations promulgated by the office of
14 cannabis regulation;

15 (iii) Possessing, transporting, or producing marijuana paraphernalia;

16 (iv) Manufacturing, possessing, or producing marijuana products, in accordance with
17 regulations promulgated by the office of cannabis regulation;

18 (v) Selling, delivering, or transferring marijuana products to a marijuana retailer,
19 another marijuana processor, or any other marijuana establishment, in accordance with
20 regulations promulgated by the office of cannabis regulation;

21 (vi) Purchasing marijuana from a marijuana cultivation facility, or another
22 marijuana processor, or any other marijuana establishment, in accordance with regulations
23 promulgated by the office of cannabis regulation;

24 (vii) Delivering or transferring marijuana or marijuana products to a cannabis
25 testing facility;

26

27 (viii) Controlling any premises or vehicle where marijuana products and
28 marijuana paraphernalia are possessed, manufactured, sold, or deposited;

29 (ix) Controlling any premises or vehicle where marijuana is possessed,
30 processed packaged, or deposited; and

31 (x) Any combination of the acts described within subsections (4)(i) through (4)(ix)
32 of this section, inclusive.

33 (5) Except as provided in this chapter and chapter 28.11 of title 21, a cannabis
34 testing facility or any person who is twenty-one (21) years of age or older and acting in their

1 capacity as an owner, principal officer, owner, partner, board member, employee, or agent
2 of a cannabis testing facility shall not be subject to state prosecution; search, except by
3 the department of business regulation or department of health pursuant to §21-28.11-8;
4 seizure; or penalty in any manner or be denied any right or privilege, including, but
5 not limited to, civil penalty or disciplinary action by a court or business licensing board
6 or entity solely engaging in for the following acts:

7 (i) Acquiring, transporting, storing, or possessing marijuana or marijuana products, in
8 accordance with regulations promulgated by the office of cannabis regulation;

9 (ii) Returning marijuana and marijuana products to marijuana cultivation facilities,
10 marijuana processor facilities, marijuana retailers, other marijuana establishment licensees and
11 industrial hemp license holders, in accordance with regulations promulgated by the office of
12 cannabis regulation ;

13 (iii) Receiving compensation for analytical testing, including but not limited
14 to testing for contaminants and potency; and

15 (iv) Any combination of the acts described within subsections (4)(i) through
16 (4)(iii) of this section, inclusive.

17 (6) The acts listed in subsections (1) through (5) of this section, when undertaken
18 in compliance with the provisions of this chapter and regulations promulgated hereunder, are
19 lawful under Rhode Island law.

20 (7) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
21 establishment licensee or any person who is twenty-one (21) years of age or older and
22 acting in their capacity as an owner, principal officer, partner, board member, employee, or
23 agent of a marijuana establishment licensee created by the office of cannabis regulation is exempt
24 from arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by any state
25 or local licensing board, and state prosecution solely for possessing, transferring, dispensing, or
26 delivering marijuana in accordance with the corresponding marijuana establishment license
27 regulations promulgated by the office of cannabis regulation, or otherwise engaging in activities
28 permitted under the specific marijuana establishment license it holds as issued by the office of
29 cannabis regulation and the regulations promulgated by the office of cannabis regulation.

30 (8) Except for the exemption set forth in subsection (2)(iv) of this section which shall
31 be effective from and after January 1, 2020, the exemptions set forth in subsections (2), (3), (4)
32 and (5) of this section shall be effective as to a marijuana establishment licensee from and after
33 the date of issuance of a license by the office of cannabis regulation.

34 **21-28.10-5. Authorized activities; paraphernalia.**

1 (a) Any person who is twenty-one (21) years of age or older is authorized to
2 manufacture, produce, use, obtain, purchase, transport, or possess, actually or constructively,
3 marijuana paraphernalia in accordance with all applicable laws.

4 (b) Any person who is twenty-one (21) years of age or older is authorized to
5 distribute or sell marijuana paraphernalia to marijuana establishments or persons who are
6 twenty-one (21) years of age or older in accordance with all applicable laws.

7 **21-28.10-6. Unlawful activities; penalties.**

8 (a) Except as expressly provided in this chapter and chapters 2-26 and 21-28.11, no
9 person or entity shall cultivate, grow, manufacture, process, or otherwise produce cannabis,
10 cannabis plants or cannabis products.

11 (b) Any person who cultivates, grows, manufactures, processes, or otherwise produces
12 cannabis, cannabis plants or cannabis products in violation of this chapter and chapters 2-26, 21-
13 28.6, 21-28.11, and/or the regulations promulgated hereunder shall be subject to imposition of an
14 administrative penalty and order by the office of cannabis regulation as follows:

15 (i) for a violation of this section involving one (1) to five (5) cannabis plants, an
16 administrative penalty of \$2,000 per plant and an order requiring forfeiture and/or destruction of
17 said plants;

18 (ii) for a violation of this section involving six (6) to ten (10) cannabis plants, an
19 administrative penalty of \$3,000 per plant and an order requiring forfeiture and/or destruction of
20 said plants;

21 (iii) for a violation of this section involving eleven (11) to twenty (20) cannabis plants, an
22 administrative penalty of \$4,000 per plant and an order requiring forfeiture and/or destruction of
23 said plants;

24 (iv) for a violation of this section involving more than twenty (20) cannabis plants, an
25 administrative penalty of \$5,000 per plant and an order requiring forfeiture and/or destruction of
26 said plants;

27 (v) for any violation of this section involving more than twenty (20) cannabis plants, such
28 person and, in the case of an entity such entity's principal officers and other key persons, shall
29 also be guilty of a felony, and upon conviction shall be punished by imprisonment and a fine as
30 provided in chapter 21-28 of the general laws and the attorney general shall prosecute such
31 criminal violation; and

32 (vi) for any violation of this section involving possession of marijuana material or
33 marijuana products over the legal possession limits of this chapter, there shall be an
34 administrative penalty of \$2,000 per ounce of equivalent marijuana material over the legal

possession limit and an order requiring forfeiture and/or destruction of said marijuana.

21-28.10-7. Activities not exempt.

The provisions of this chapter do not exempt any person from arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by any state or local licensing board or authority, and state prosecution for, nor may they establish an affirmative defense based on this chapter to charges arising from, any of the following acts:

(1) Driving, operating, or being in actual physical control of a vehicle or a vessel under power or sail while impaired by marijuana or marijuana products;

(2) Possessing marijuana or marijuana products if the person is a prisoner;

(3) Possessing marijuana or marijuana products in any local detention facility, county jail, state prison, reformatory, or other correctional facility, including, without limitation, any facility for the detention of juvenile offenders; or

(4) Manufacturing or processing of marijuana products with the use of prohibited solvents, in violation of § 21-28.10-12.

21-28.10-8. Marijuana use prohibitions.

(a) No person shall smoke, vaporize or otherwise consume or use cannabis in a public place. A person who violates this section shall be subject to imposition of an administrative penalty by the office of cannabis regulation of one hundred fifty dollars (\$150) per violation, in addition to and not in lieu of any applicable penalty or fine by the municipality where the public consumption or use occurred.

(b) No person shall smoke or vaporize cannabis in, on or about the premises of any housing that is subject to regulation or otherwise within the purview of chapters 45-25, 45-26, 45-53 or 45-60 of the general laws and any regulations promulgated thereunder. A person who smokes or vaporizes cannabis in, on or about such housing premises shall be subject to imposition of an administrative penalty by the office of cannabis regulation of one hundred fifty dollars (\$150) per violation, in addition to and not in lieu of any applicable penalty, access prohibition or restriction, eviction or other action that may lawfully be taken by the owner and/or applicable authority with respect to said housing.

(c) No person shall smoke or vaporize cannabis in, on or about the premises of any multi-unit housing complex or building without the written permission of the owner of such property and/or any applicable governing body of the housing complex or building. A person who smokes or vaporizes cannabis in, on or about any multi-unit housing complex or building premises without such written permission shall be subject to imposition of an administrative penalty by the office of cannabis regulation of one hundred fifty dollars (\$150) per violation, in addition to and

1 not in lieu of any applicable penalty, access prohibition or restriction, eviction or other action that
2 may lawfully be taken by the owner and/or any applicable authority with respect to such multi-
3 unit housing complex or building.

4 (d) No person may smoke, vaporize or otherwise consume or use, sell, distribute or
5 otherwise transfer or propose any such sale, distribution or transfer, cannabis or cannabis
6 products in, on or about the premises of any place of business, establishment, or club, whether
7 public or private, and whether operated for-profit or nonprofit, or any commercial property or
8 other premises as further defined through regulations promulgated by the office of cannabis
9 regulation, unless a cannabis social use license or temporary cannabis social use permit has been
10 issued by the office of cannabis regulation with respect to such business, establishment, club or
11 commercial property premises in accordance with regulations promulgated by the office of
12 cannabis regulation. Any person who violates this section shall be subject to imposition of
13 administrative fine and/or other penalty as prescribed by the office of cannabis regulation in such
14 regulations.

15 **21-28.10-9. Places of employment.**

16 (a) The provisions of this chapter do not require employers to accommodate the
17 use or possession of marijuana, or being under the influence of marijuana, in any workplace.

18 (b) Employers may implement drug use policies which prohibit the use or possession of
19 marijuana in the workplace or working under the influence of marijuana, provided that unless
20 such use is prohibited pursuant to the terms of a collective bargaining agreement, an employer
21 shall not fire or take disciplinary action against an employee solely for an employee's private,
22 lawful use of marijuana outside the workplace and so long as the employee has not and is not
23 working under the influence of marijuana except to the extent that the employer is a federal
24 contractor or otherwise subject to federal law or regulations such that failure to take such action
25 would cause the employer to lose a monetary or licensing related benefit thereunder.

26 **21-28.10-10. Private property.**

27 (a) Except as provided in this section, the provisions of this chapter do not
28 require any person, corporation, or any other entity that occupies, owns, or controls a
29 property to allow the consumption, or transfer of marijuana on or in that property.

30 (b) Except as provided in this section, in the case of the rental of a residential
31 dwelling unit governed by chapter 18 of title 34, a landlord may not prohibit the
32 consumption of cannabis by non-smoked or non-vaporized means, or the transfer without
33 compensation of cannabis by the tenant as defined in § 34-18-11, provided the tenant is in
34 compliance with the possession and transfer limits and other requirements set forth in § 21-28.10-

1 4(1)(i) and (iv), and provided any such consumption or transfer by the tenant is done within
2 the tenant's dwelling unit and is not visible from outside of the individual residential
3 dwelling unit. A landlord may prohibit the consumption, display, and transfer of cannabis
4 by a roomer as defined in §34-18-11 and by any other person who is not a tenant.

5 **21-28.10-11. False age representation.**

6 (a) Any person who falsely represents themselves to be twenty-one (21) years of age or
7 older in order to obtain any marijuana, marijuana products, or marijuana paraphernalia
8 pursuant to this chapter is guilty of a civil violation.

9 (b) Any person who violates this section shall be subject to the following penalties
10 which shall be enforced by the division of motor vehicles in accordance with chapter 11 of title
11 31 of the general laws and any regulations promulgated thereunder or hereunder:

12 (i) for the first offense, imposition of a mandatory fine of not less than one
13 hundred dollars (\$100) nor more than five hundred dollars (\$500), the requirement to
14 perform thirty (30) hours of community service and suspension of his/her motor vehicle
15 operator's license or permit and driving privileges for a period of thirty (30) days;

16 (ii) for the second offense, imposition of a mandatory fine of not less than five
17 hundred dollars (\$500) nor more than seven hundred fifty dollars (\$750), the requirement to
18 perform forty (40) hours of community service and suspension of his/her motor vehicle
19 operator's license or permit and driving privileges for a period of three (3) months; and

20 (iii) for the third and subsequent offenses, imposition of a mandatory fine for each
21 offense of not less than seven hundred fifty dollars (\$750) nor more than one thousand
22 dollars (\$1,000), the requirement to perform by fifty (50) hours of community service and
23 suspension of his/her motor vehicle operator's license or permit and driving privileges for a
24 period of one (1) year.

25 (c) In addition to and not in lieu of the penalties described in subsection (b), the
26 department of elementary and secondary education and, with the prior approval of the
27 department, any city, town or school district under its authority, may adopt and implement
28 marijuana drug use policies which require students to face disciplinary actions including but not
29 limited to, suspension, expulsion, community service, and prohibition from participation in
30 school sanctioned events, for any violation of this section or for the possession or use of
31 marijuana. The department of elementary and secondary education shall have the authority to
32 adopt rules and regulations as are necessary and proper to carry out the foregoing.

33 **21-28.10-12. Unlawful distribution to minors; penalties.**

34 (a) Except as expressly provided in chapters 21-28.6 of the general laws, no person or

1 entity shall sell, deliver or otherwise transfer to any person who is under twenty-one (21) years
2 of age marijuana, marijuana plants or marijuana products.

3 (b) Any person or entity who sells, delivers or otherwise transfers marijuana, marijuana
4 plants or marijuana products to any person who is under twenty-one (21) years of age violation of
5 this chapter and chapter 21-28.11 and/or the regulations promulgated hereunder shall be subject
6 to imposition of an administrative penalty by the office of cannabis regulation in the amount of
7 \$10,000 per violation.

8 (c) As to any violation of this section, such person, and in the case of an entity such
9 entity's principal officers and other key persons, shall also be guilty of a felony, and upon
10 conviction shall be punished by imprisonment and a fine as provided in chapter 21-28 of the
11 general laws and the attorney general shall prosecute such criminal violation.

12 **21-28.10-13. Unlawful marijuana extraction, penalties.**

13 (a) No person, other than a licensed processor who is in compliance with this
14 chapter, chapter 28.11 and accompanying regulations or an agent of a processor acting in
15 that capacity, may extract compounds from marijuana using solvents other than water,
16 glycerin, propylene glycol, vegetable oil, or food grade ethanol (ethyl alcohol). No person
17 may extract compounds from marijuana using ethanol in the presence or vicinity of open
18 flame.

19 (b) A person who violates this section shall be subject to imposition of an
20 administrative penalty by the office of cannabis regulation of up to five thousand dollars
21 (\$5,000) per violation.

22 (c) A person who violates this section shall also be guilty of a felony punishable by
23 imprisonment and a fine in accordance with chapter 21-28 of the general laws and the attorney
24 general shall prosecute such criminal violation.

25 **CHAPTER 28.11**

26 **MARIJUANA REGULATION, CONTROL, AND TAXATION ACT**

27 **21-28.11-1. Short title.**

28 This chapter shall be known and may be cited as the "Marijuana Regulation, Control,
29 and Taxation Act."

30 **21-28.11-2. Definitions.**

31 For purposes of this chapter:

32 (1) "Cannabis" means all parts of the plant of the genus marijuana, also known as
33 marijuana sativa L. whether growing or not; the seeds thereof; the resin extracted from any
34 part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation

1 of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency
2 including “marijuana”, and “industrial hemp” or “industrial hemp products” which satisfy the
3 requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.

4 (2) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
5 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
6 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
7 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
8 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
9 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
10 plant which is incapable of germination. Marijuana shall not include “industrial hemp or”
11 industrial hemp products” which satisfy the requirements of chapter 2-26 of the general laws and
12 the regulations promulgated thereunder.

13 (3) "Marijuana cultivation facility" means an entity that is licensed pursuant to
14 chapter 28.11 of title 21, to be exempt from state penalties for cultivating, preparing,
15 packaging, and selling marijuana to a marijuana retailer, a marijuana processor, another
16 marijuana cultivation facility, cannabis testing laboratory, or another marijuana establishment
17 licensed by the office of cannabis regulation, in accordance with regulations promulgated by the
18 office of cannabis regulation; but not for manufacturing, processing or selling marijuana
19 products or selling marijuana at retail or otherwise to the general public.

20 (4) "Marijuana establishment" and “marijuana establishment licensee” means any
21 person or entity licensed by the office of cannabis regulation under this chapter or chapter 21-28.6
22 whose license permits it to engage in or conduct activities in connection with the adult use
23 marijuana industry or medical marijuana program and includes but is not limited to a licensed
24 marijuana cultivation facility, marijuana processor, marijuana retailer, cannabis testing facility,
25 compassion center, medical marijuana cultivator, medical marijuana processor or any other
26 license issued by the office of cannabis regulation under this chapter or chapter 21-28.6 and/or as
27 specified and defined in regulations promulgated by the office of cannabis regulation.

28 (5) "Marijuana paraphernalia" means equipment, products, and materials which are
29 used or intended for use in planting, propagating, cultivating, growing, harvesting,
30 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
31 packaging, repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or
32 otherwise introducing marijuana into the human body.

33 (6) "Marijuana processor" means an entity licensed pursuant to chapter 28.11 of title
34 21 to be exempt from state penalties for purchasing marijuana from marijuana cultivation

1 facilities, other marijuana processors, or other marijuana establishments, in accordance with
2 regulations promulgated by the office of cannabis regulation and manufacturing or processing
3 marijuana products, selling, giving, or transferring marijuana products to a marijuana
4 retailer, marijuana testing facility, or other marijuana establishments, in accordance with
5 regulations promulgated by the office of cannabis regulation but not for selling marijuana or
6 marijuana products at retail or otherwise to the general public.

7 (7) "Marijuana products" means any form of marijuana, including concentrated
8 marijuana and products that are comprised of marijuana and other ingredients that are
9 intended for use or consumption, such as, but not limited to, extracts, infusions, edible
10 products, ointments, and tinctures, as further defined in regulations promulgated by the office of
11 cannabis regulation.

12 (8) "Marijuana testing facility" or "cannabis testing laboratory" means a third party
13 analytical testing laboratory licensed by the departments of health and office of cannabis
14 regulation to collect and test samples of cannabis pursuant to regulations promulgated by the
15 departments.

16 (9) "Marijuana retailer" means an entity that is licensed pursuant to chapter 28.11 of
17 title 21, to be exempt from state penalties for purchasing marijuana from marijuana
18 cultivation facilities, marijuana processors, or other marijuana establishments in accordance
19 with regulations promulgated by the office of cannabis regulation, and selling marijuana,
20 marijuana products, and marijuana paraphernalia to customers who are twenty-one (21) years of
21 age or older in accordance with the provisions of this chapter, chapter 21-28.11 and rules and
22 regulations promulgated by the office of cannabis regulation.

23 (10) "Smoke" or "smoking" means heating to at least the point of combustion,
24 causing plant material to burn, inhaling, exhaling, burning, or carrying any lighted or heated
25 cigarette, pipe, weed, plant, other marijuana product in any manner or in any form intended for
26 inhalation in any manner or form and includes but is not limited to the use of electronic cigarettes,
27 electronic pipes, electronic marijuana delivery system products, or other similar products that rely
28 on vaporization or aerosolization.

29 (11) "State prosecution" means prosecution initiated or maintained by the state of
30 Rhode Island or an agency or political subdivision of the state of Rhode Island.

31 (12) "Vaporize" or "vape" means heating below the point of combustion and
32 resulting in a vapor or mist.

33 (13) "Equivalent amount" means the portion of usable marijuana, be it in extracted,
34 edible, concentrated, or any other form, found to be equal to a portion of dried marijuana, as

1 defined by regulations promulgated by the office of cannabis regulation.

2 **21-28.11-3. Office of Cannabis Regulation.**

3 (a) Within the department of business regulation there shall be an office of cannabis
4 regulation that oversees the regulation, licensing and control of cannabis, including marijuana,
5 medical marijuana and industrial hemp, and such other matters within the jurisdiction of the
6 department as determined by the director. An associate director or other designee of the director
7 who reports to the director shall be in charge of all matters relating to cannabis regulation and
8 control.

9 (b) Whenever in chapters 2-26, 21-28.6, 21-28.10, 21-28.11 and 44-49.1 of the general
10 laws the words “department of business regulation” shall appear, the words shall be deemed to
11 mean the office of cannabis regulation within the department of business regulation. Whenever
12 in chapters 2-26, 21-28.6, 21-28.10, 21-28.11 and 44-49.1 of the general laws the words “office
13 of cannabis regulation” shall appear, the words shall be deemed to mean the office of cannabis
14 regulation within the department of business regulation.

15 (c) The office of cannabis regulation shall coordinate the executive branch response
16 to the regulation and control of cannabis including, but not limited to, strategic
17 planning, coordination and approval of regulations, educational content, planning and
18 implementation, community engagement, budget coordination, data collection and analysis
19 functions, and any other duties deemed necessary and appropriate by the office of cannabis
20 regulation to carry out the provisions of this chapter.

21 (d) In furtherance of coordinating the oversight of cannabis, including marijuana,
22 medical marijuana and industrial hemp, across state agencies, the office of cannabis regulation
23 shall:

24 (1) Coordinate with the staff designated by the respective directors of each state
25 agency regarding the agency's promulgation and implementation of rules and regulations
26 regarding adult use of marijuana, medical marijuana and industrial hemp with the objective of
27 producing positive economic, public safety, and health outcomes for the state and its citizens;

28 (2) Offer guidance to and communicate with municipal officials regarding
29 the implementation and enforcement of this chapter and chapters 28.6 and 28.10;

30 (3) Align all policy objectives and the promulgation of rules and regulations across
31 state agencies to increase efficiency and eliminate unintended negative impacts on the state
32 and its citizens;

33 (4) Communicate with regulatory officials from other states that allow marijuana for
34 adult use, medical marijuana use and industrial hemp production to learn from the experiences of

1 those states;

2 (5) Anticipate, prioritize, and respond to emerging issues with the regulation of
3 marijuana;

4 (6) Coordinate the collection of data on adult use of marijuana and medical
5 marijuana use from state agencies and report to the governor and legislature no later than
6 January 1, 2021, and every year thereafter. The report shall include, but is not limited to:

7 (i) The number and geographic distribution of all licensed marijuana establishments;
8 (ii) Data on the total amount of sales of marijuana and the total amount of revenue
9 raised from taxes and fees levied on marijuana;

10 (iii) Projected estimate of the total marijuana revenue that will be raised in the
11 proceeding year;

12 (iv) The distribution of funds to programs and agencies from revenue raised from
13 fees and taxes levied on marijuana; and

14 (v) Any findings from the departments of health and public safety related to changes in
15 marijuana use rates and the impact, if any, of marijuana use on public health and public safety.

16 **21-28.11-4. Marijuana Advisory Board.**

17 (a) The leaders of the general assembly shall establish a marijuana advisory board to
18 study and make recommendations on the regulation of marijuana and marijuana products.

19 (b) The marijuana advisory board shall consist of fourteen (14) members,
20 seven (7) appointed by the speaker of the house, and seven (7) appointed the senate
21 president. Both the speaker of the house and the senate president shall appoint one member
22 of the general assembly, one expert in law enforcement, one expert in public health, one
23 expert in the legal marijuana business community, one attorney with experience in
24 marijuana law and policy, one expert in social welfare or social justice, and one individual
25 who represents marijuana consumers.

26 (c) Members of the marijuana advisory board shall serve terms of two (2) years.

27 (d) Members of the board shall serve without compensation but shall be reimbursed
28 for their expenses actually and necessarily incurred in the discharge of their official duties.
29 Eight (8) or more members of the board present and voting shall constitute a quorum.

30 (e) The marijuana advisory board's duties shall include:

31 (1) Advising the legislature on matters related to marijuana cultivation,
32 processing, manufacture, transport, distribution, testing and sale;

33 (2) On its own initiative, recommending to the office of cannabis regulation
34 guidelines, rules and regulations and any changes to guidelines, rules and

1 regulations that the board considers important or necessary; and

2 (3) Holding public hearings to take testimony from experts and members of the
3 general public on issues related to the regulation and taxation of marijuana.

4 (f) All records of the marijuana advisory board shall be public records.

5 (g) The chairs of the marijuana advisory board shall issue public notice at least
6 fourteen (14) days prior to each meeting of the marijuana advisory board.

7 **21-28.11-5. Licensing of marijuana establishments.**

8 (a) Except as otherwise provided in this chapter:

9 (1) A person or an entity may apply, in accordance with the provisions of this chapter
10 and regulations adopted by the office of cannabis regulation, for the issuance of a license
11 authorizing the applicant to engage in licensed marijuana activities as a marijuana retailer,
12 marijuana cultivator, marijuana processor, cannabis testing facility, or any other marijuana
13 establishment licensee, pursuant to the provisions of this chapter and regulations promulgated
14 by the office of cannabis regulation provided that a majority of equity in and/or ownership of any
15 license is held by a Rhode Island resident, or Rhode Island residents, as defined in regulations
16 promulgated by the office of cannabis regulation.

17 (2) The office of cannabis regulation shall have authority to issue a license or
18 licenses to marijuana cultivators, marijuana retailers, marijuana processors, and any other
19 category of marijuana establishment licensee established through this chapter or the regulations
20 promulgated hereunder.

21 (3) The department of health, in coordination with the office of cannabis regulation,
22 shall have authority to promulgate regulations to create and implement all licenses involving
23 cannabis reference testing requirements including approval, laboratory proficiency programs and
24 proficiency sample providers, quality assurance sample providers, round robin testing and
25 regulations establishing quality control and test standardization, and create and implement
26 additional types and classes of licensed cannabis testing facilities in accordance with regulations
27 promulgated hereunder.

28 (b) The office of cannabis regulation shall have the authority to promulgate regulations
29 to create and implement additional types and classes of commercial marijuana establishment
30 licenses, including but not limited to, licenses for businesses to engage in marijuana destruction,
31 delivery, disposal, research and development, transportation, social use licenses, or any other
32 commercial activity needed to support licensed marijuana cultivators, licensed marijuana
33 processors, compassion centers, licensed cannabis testing facilities, provided no license created
34 by the department shall allow for the retail sale of marijuana.

1 (c) The office of cannabis regulation shall promulgate regulations governing the manner
2 in which it shall consider applications for issuing additional classes of marijuana establishment
3 licenses, in accordance with this section.

4 (d) The office of cannabis regulation shall promulgate regulations governing the manner
5 in which it shall consider applications for the licensing and renewal of each type of marijuana
6 establishment license necessary and proper to enforce the provisions of and carry out the duties
7 assigned to it under this chapter and chapter 28.10, including but not limited to regulations
8 governing:

9 (1) The form and content of licensing and renewal applications;

10 (2) Application and licensing fees for marijuana establishment licensees;

11 (3) Procedures for the approval or denial of a license, and procedures for suspension or
12 revocation of the license of any marijuana establishment licensee that violates the provisions of
13 this chapter, chapter 28.10 or the regulations promulgated thereunder in accordance with the
14 provisions of chapter 42-35 of the general laws; and

15 (4) Compliance with municipal zoning restrictions, if any, which comply with 21-28.11-
16 10 of this chapter.

17 (e) The department of health or the office of cannabis regulation, as applicable, shall
18 issue each principal officer, board member, agent, volunteer, and employee of a marijuana
19 establishment license a registry identification card or renewal card after receipt of the person's
20 name, address, date of birth; a fee in an amount established by the department of health or the
21 office of cannabis regulation; and, when the applicant holds an ownership, equity, controlling, or
22 managing stake in the marijuana establishment license as defined in regulations promulgated by
23 the office of cannabis regulation, notification to the department of health or the office of cannabis
24 regulation by the department of public safety division of state police, attorney general's office, or
25 local law enforcement that the registry identification card applicant has not been convicted of a
26 felony drug offense or has not entered a plea of nolo contendere for a felony drug offense and
27 received a sentence of probation. Each card shall specify that the cardholder is a principal officer,
28 board member, agent, volunteer, employee, or other designation required by the departments of
29 marijuana establishment license and shall contain the following:

30 (i) The name, address, and date of birth of card applicant;

31 (ii) The legal name of the marijuana establishment licensee to which the applicant is
32 affiliated;

33 (iii) A random identification number that is unique to the cardholder;

34 (iv) The date of issuance and expiration date of the registry identification card; and

1 (v) A photograph, if the department of health or the office of cannabis regulation decides
2 to require one; and

3 (vi) Any other information or card classification that the office of cannabis regulation or
4 department of health requires.

5 (f) Except as provided in subsection (e), neither the department of health nor the office of
6 cannabis regulation shall issue a registry identification card to any card applicant who holds an
7 ownership, equity, controlling, or managing stake in the marijuana establishment license as
8 defined in regulations promulgated by the office of cannabis regulation, who has been convicted
9 of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense and
10 received a sentence of probation or who the department has otherwise deemed unsuitable. If a
11 registry identification card is denied, the applicant will be notified in writing of the purpose for
12 denying the registry identification card. A registry identification card may be granted if the
13 offense was for conduct that occurred prior to the enactment of this chapter or that was
14 prosecuted by an authority other than the state of Rhode Island and for which the enactment of
15 this chapter would otherwise have prevented a conviction.

16 (g) (i) All registry identification card applicants who hold an ownership, equity,
17 controlling, or managing stake in the marijuana establishment license as defined in regulations
18 promulgated by the office of cannabis regulation shall apply to the department of public safety
19 division of state police, the attorney general's office, or local law enforcement for a national
20 criminal identification records check that shall include fingerprints submitted to the federal
21 bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
22 contendere for a felony drug offense with a sentence of probation, and in accordance with the
23 rules promulgated by the department of health and the office of cannabis regulation, the
24 department of public safety division of state police, the attorney general's office, or local law
25 enforcement shall inform the applicant, in writing, of the nature of the felony and the department
26 of public safety division of state police shall notify the department of health or the office of
27 cannabis regulation, in writing, without disclosing the nature of the felony, that a felony drug
28 offense conviction or a plea of nolo contendere for a felony drug offense with probation has been
29 found.

30 (ii) In those situations in which no felony drug offense conviction or plea of nolo
31 contendere for a felony drug offense with probation has been found, the department of public
32 safety division of state police, the attorney general's office, or local law enforcement shall inform
33 the applicant and the department of health or the office of cannabis regulation, in writing, of this
34 fact.

1 (iii) All registry identification card applicants shall be responsible for any expense
2 associated with the criminal background check with fingerprints.

3 (h) A registry identification card of a principal officer, board member, agent, volunteer,
4 or employee, or any other designation required by the office of cannabis regulation shall expire
5 one year after its issuance, or upon the termination of the principal officer, board member, agent,
6 volunteer or employee's relationship with the marijuana establishment licensee, or upon the
7 termination or revocation of the affiliated marijuana establishment's license, whichever occurs
8 first.

9 (i) A registration identification card holder shall notify and request approval from the
10 office of cannabis regulation or department of health of any change in his or her name or address
11 within ten (10) days of such change. A cardholder who fails to notify the office of cannabis
12 regulation or health of any of these changes is responsible for a civil infraction, punishable by a
13 fine of no more than one hundred fifty dollars (\$150).

14 (j) When a cardholder notifies the department of health or the office of cannabis
15 regulation of any changes listed in this subsection, the department shall issue the cardholder a
16 new registry identification after receiving the updated information and a ten dollar (\$10.00) fee.

17 (k) If a cardholder loses his or her registry identification card, he or she shall notify the
18 department of health or the office of cannabis regulation and submit a ten dollar (\$10.00) fee
19 within ten (10) days of losing the card and the department shall issue a new card.

20 (l) Registry identification cardholders shall notify the office of cannabis regulation or
21 health of any disqualifying criminal convictions as defined in subdivision (c)(7). The applicable
22 department may choose to suspend and/or revoke his or her registry identification card after such
23 notification.

24 (m) If a registry identification cardholder violates any provision of this chapter or
25 regulations promulgated hereunder as determined by the departments of health and office of
26 cannabis regulation, his or her registry identification card may be suspended and/or revoked.

27 (n) The department of business regulation shall have the authority to adopt
28 regulations governing the allowable size of marijuana establishment licensees. The
29 department of business regulation shall have the authority to adopt regulations governing
30 the allowable size of marijuana cultivations, and whether indoor or outdoor cultivation is
31 permitted.

32 (o) The department of business regulation may establish pursuant to regulations
33 different classifications or schedules for marijuana establishment licensee facilities based on
34 their physical size, scope, or authorized activities permitted under the class or schedule of

1 marijuana establishment license.

2 (p) In order to create an open, accessible, and stable industry, the office of cannabis
3 regulation shall have the authority to promulgate regulations which limit the number of marijuana
4 establishment licenses or classes of marijuana establishment licenses that an applicant may be
5 issued.

6 (q) In order to create an open, accessible, and stable industry, the office of cannabis
7 regulation shall have the authority to promulgate regulations which sets market-based criteria for
8 the issuance or renewal of cultivation licenses.

9 (r) The department of business regulation may not issue a marijuana cultivation
10 facility, marijuana processor, or marijuana retailer to any entity that operates or exercises
11 ownership, management, or other control over a marijuana testing facility.

12 (s) The department of health and department of office of cannabis regulation may not
13 issue a marijuana testing facility license to any applicant that operates or exercises
14 ownership, management, or other control over another marijuana establishment license or
15 license issued under chapter 2-26 of the general laws.

16 (t) The office of cannabis regulation shall determine an annual license and renewal fee
17 for each type and/or class of marijuana establishment licensee. The license fee must be paid
18 upon the initial issuance of the license and every twelve (12) months thereafter. If the
19 license fee is not remitted to the state in a timely manner, the license shall be revoked. The
20 department of health shall determine the annual license fee for cannabis testing laboratories and
21 employee registration cards.

22 (u) The office of cannabis regulation shall set forth procedures to require all owners,
23 officers, investors, employees or agents with operational or managing control of a marijuana
24 establishment license applicant to undergo a national background check conducted by the
25 office of the attorney general, the state police, a local police department, or some other
26 agency approved by the office of cannabis regulation. An application for a marijuana
27 establishment license may be rejected if a background check of an owner, officer, investor or
28 employee or agent with operational or managing control reveals past offenses or actions that the
29 office of cannabis regulation deems to be disqualifying.

30 (v) Whenever an entity seeks to renew a license as a marijuana establishment, the
31 office of cannabis regulation shall require the renewal application to include a question
32 regarding any Occupational Safety and Health Administration actions. The office of
33 cannabis regulation may issue regulations as are necessary to ensure licensee compliance to
34 address any such Occupational Safety and Health Administration actions in light of worker

1 safety concerns.

2 (w) Medical marijuana cultivators and compassion centers in good standing with the
3 office of cannabis regulation may also apply for and be issued adult use marijuana establishment
4 licenses, in accordance with regulations promulgated by the office of cannabis regulation,
5 provided the medical marijuana establishment licensee continues to hold any valid medical
6 marijuana license approved or issued prior to July 1, 2019.

7 (x) The office of cannabis regulation may limit or prohibit a medical marijuana
8 establishment's operation under an adult use marijuana establishment license if the office of
9 cannabis regulation determines that failure to do so would threaten medical marijuana patients'
10 access to marijuana products needed to treat qualifying conditions.

11 (y) Licensees may hold a medical marijuana establishment license and an adult use
12 marijuana establishment license in accordance with regulations promulgated by the office of
13 cannabis regulation.

14 (z) The office of cannabis regulation shall prioritize the review of applications for adult
15 use marijuana establishment licenses submitted by medical marijuana establishments that hold a
16 license, in good standing, that was issued by the department prior to the effective date of this
17 chapter.

18 (aa) The office of cannabis regulation may create a streamlined application for medical
19 marijuana establishment licensees who apply for adult use marijuana establishment licenses
20 provided the applicant holds a license, in good standing, that was issued by the department.

21 **21-28.11-6. Ineligibility for license.**

22 A marijuana establishment may not operate, and a prospective marijuana
23 establishment may not apply for a license, if any of the following are true:

24 (1) The person or entity is applying for a license to operate as a marijuana retailer in a
25 location that is within five hundred (500) feet of the property line of a preexisting public or
26 private school, or the person or entity is applying for a license to operate as a marijuana
27 establishment other than a marijuana retailer and the establishment would operate in a
28 location that is within one thousand (1,000) feet of the property line of a preexisting public or
29 private school; or

30 (2) The establishment would be located at a site where the use is not permitted by
31 applicable zoning classification or by special use permit or other zoning approval, or if the
32 proposed location would otherwise violate a municipality's zoning ordinance; or

33 (3) The establishment would be located in a municipality in which residents
34 have approved, by a simple majority referendum, a ban on the kind of marijuana

1 establishment being proposed. For purpose of illustration but not limitation, a marijuana
2 retailer may not operate in a municipality in which residents have approved by a
3 simple majority referendum a ban on marijuana retailers.

4 (4) If any marijuana business establishment license applicant is deemed unsuitable or
5 denied a registry identification card by the office of cannabis regulation.

6 **21-28.11-7. License Required.**

7 No person or entity shall engage in any activities in which a licensed marijuana
8 establishment licensee may engage pursuant to chapters 28.6, 28.10 or 28.11 of title 21 and the
9 regulations promulgated thereunder, without the license that is required in order to engage in such
10 activities issued by the office of cannabis regulation and compliance with all provisions of such
11 chapters 28.6, 28.10 and 28.11 or title 21 and the regulations promulgated thereunder.

12 **21-28.11-8. Enforcement.**

13 (a) (1) Notwithstanding any other provision of this chapter, if the director of the
14 department of business regulation or his or her designee has cause to believe that a violation of
15 any provision of chapters 21-28.6, 21-28.10 or 28.11 or any regulations promulgated thereunder
16 has occurred by a licensee that is under the department's jurisdiction pursuant to chapters 21-
17 28.6, 21-28.10 or 28.11, or that any person or entity is conducting any activities requiring
18 licensure or registration by the office of cannabis regulation under chapters 21-28.6, 21-28.10 or
19 28.11 or the regulations promulgated thereunder without such licensure or registration, the
20 director or his or her designee may, in accordance with the requirements of the administrative
21 procedures act, chapter 35 of title 42:

22 (i) With the exception of patients and authorized purchasers, revoke or suspend a license
23 or registration;

24 (ii) Levy an administrative penalty in an amount established pursuant to regulations
25 promulgated by the office of cannabis regulation;

26 (iii) Order the violator to cease and desist such actions;

27 (iv) Require a licensee or registrant or person or entity conducting any activities requiring
28 licensure or registration under chapters 21-28.6, 21-28.10 or 28.11 to take such actions as are
29 necessary to comply with such chapter and the regulations promulgated thereunder; or

30 (v) Any combination of the above penalties.

31 (2) If the director of the department of business regulation finds that public health, safety,
32 or welfare imperatively requires emergency action, and incorporates a finding to that effect in his
33 or her order, summary suspension of license or registration and/or cease and desist may be
34 ordered pending proceedings for revocation or other action. These proceedings shall be promptly

1 instituted and determined.

2 (b) If a person exceeds the possession limits set forth in chapters 21-28.6, 21-28.10 or 21-
3 28.11, or is in violation of any other section of chapters 21-28.6, 21-28.10 or 28.11 or the
4 regulations promulgated thereunder, he or she may also be subject to arrest and prosecution under
5 chapter 28 of title 21 of the general laws.

6 (c) All marijuana establishment licensees are subject to inspection by the office of
7 cannabis regulation including but not limited to, the licensed premises, all marijuana and
8 marijuana products located on the licensed premises, personnel files, training materials, security
9 footage, all business records and business documents including but not limited to purchase
10 orders, transactions, sales, and any other financial records or financial statements whether located
11 on the licensed premises or not.

12 (d) All marijuana products that are held within the borders of this state in violation of the
13 provisions of chapters 21-28.6, 21-28.10 or 21-28.11 or the regulations promulgated thereunder
14 are declared to be contraband goods and may be seized by the office of cannabis regulation, the
15 tax administrator or his or her agents, or employees, or by any sheriff, or his or her deputy, or any
16 police or other law enforcement officer when requested by the tax administrator or office of
17 cannabis regulation to do so, without a warrant. All contraband goods seized by the state under
18 this chapter may be destroyed.

19 (e) Notwithstanding any other provision of law, the office of cannabis regulation may
20 make available to law enforcement and public safety personnel, any information that the
21 department's director or his or her designee may consider proper contained in licensing records,
22 inspection reports and other reports and records maintained by the office of cannabis regulation,
23 as necessary or appropriate for purposes of ensuring compliance with state laws and regulations.
24 Nothing in this act shall be construed to prohibit law enforcement, public safety, fire, or building
25 officials from investigating violations of, or enforcing state law.

26 **21-28.11-9. Regulation and control of marijuana establishments.**

27 (a) The department of business regulation shall adopt all rules and regulations
28 necessary and convenient to carry out and administer the provisions in this chapter and chapter
29 28.10 including operational requirements applicable to licensees and regulations as are necessary
30 and proper to enforce the provisions of and carry out the duties assigned to it under this chapter
31 and chapter 28.10, including but not limited to regulations governing:

32 (1) Record-keeping requirements for marijuana establishment licensees;

33 (2) Security requirements for marijuana establishment licensees including but not limited
34 to the use of:

1 (i) An alarm system, with a backup power source, that alerts security personnel and local
2 law enforcement officials of any unauthorized breach;

3 (ii) Perpetual video surveillance system, with a backup power source, that records video
4 surveillance must be stored for at least two (2) months and be accessible to the office of cannabis
5 regulation via remote access and to law enforcement officials upon request;

6 (iii) Protocols that ensure the secure transport, delivery, and storage of cannabis and
7 cannabis products;

8 (iv) Additional security measures to protect against diversion or theft of cannabis from
9 cannabis cultivation facilities that cultivate cannabis outdoors; and

10 (v) any additional requirements deemed necessary by the office of cannabis regulation;

11 (3) Requirements for inventory tracking and the use of seed to sale monitoring system(s)
12 approved by the state which tracks all cannabis from its origin up to and including the point of
13 sale;

14 (4) Permitted forms of advertising and advertising content, including but not limited to:

15 (i) A marijuana establishment licensee may not advertise through any means
16 unless at least 85% of the audience is reasonably expected to be 21 years of age or older,
17 as determined by reliable, current audience composition data;

18 (ii) a marijuana establishment licensee may not engage in the use of pop up digital
19 advertisements;

20 (iii) a marijuana establishment licensee may not display any marijuana product pricing
21 through any advertising other than their establishment website which must be registered with the
22 office of cannabis regulation, or through opt in subscription services such as email alerts or sms
23 text messages, provided the licensee has verified the person attempting to view their webpage or
24 opt in to advertising alerts is over the age of 21;

25 (iv) a marijuana establishment licensee may not use any billboard advertisements within
26 the state of Rhode Island;

27 (v) A marijuana establishment licensee may display signage outside its
28 facility displaying the name of the establishment, provided the signage conforms to all
29 applicable local guidelines and rules and does not display imagery of a marijuana leaf or the
30 use of marijuana or use neon signage;

31 (vi) a marijuana establishment licensee may be listed in public phonebooks and
32 directories;

33 (vii) A marijuana establishment licensee and its logo may be listed as a sponsor of a
34 charitable event, provided the logo does not contain imagery of a cannabis leaf or the use of

1 cannabis:

2 (viii) a marijuana establishment license shall not use, except, or offer any coupons,

3 discounts, samples, giveaways, or any other mechanism to sell marijuana at prices below market

4 value which may or may not circumvent the payment and collection of marijuana taxes; and

5 (viii) any other restrictions deemed appropriate by the office of cannabis regulation; and

6 (5) Permitted forms of marijuana products including, but not limited to, regulations

7 which:

8 (i) prohibit any form of marijuana product which is in the shape or form of an animal,

9 human, vehicle, or other shape or form which may be attractive to children;

10 (ii) prohibit any marijuana “additives” which could be added, mixed, sprayed on, or

11 applied to an existing food product without a person’s knowledge; and

12 (iii) include any other requirements deemed necessary by the office of cannabis

13 regulation; and

14 (6) Limits for marijuana product serving sizes, doses, and potency including but not

15 limited to regulations which:

16 (i) limit all servings of edible forms of marijuana to no more than five milligrams (5 mg)

17 of THC per serving;

18 (ii) limits the total maximum amount of THC per edible product package to one hundred

19 milligrams (100 mg) of THC;

20 (iii) limits the THC potency of any product to no more than fifty percent (50%) THC

21 unless otherwise authorized by the office of cannabis regulation;

22 (iv) may establish product or package limits based on the total milligrams of THC; and

23 (v) include any additional requirements or limitations deemed necessary by the office of

24 cannabis regulation:

25 (7) Product restrictions including but not limited to regulations which:

26 (i) establish a review process for the office of cannabis regulation to approve or deny

27 forms of marijuana products which may require marijuana establishment licensees to submit a

28 proposal, which includes photographs of the proposed product properly packaged and

29 labeled and any other materials deemed necessary by the office of cannabis regulation, to the

30 office of cannabis regulation for each line of cannabis products;

31 (ii) place additional restrictions on marijuana products to safeguard public health and

32 safety, as determined by the office of cannabis regulation in consultation with the executive

33 branch state agencies;

34 (iii) require all servings of edible products to be marked, imprinted, molded, or otherwise

1 display a symbol chosen by the department to alert consumers that the product contains
2 marijuana;

3 (iv) standards to prohibit cannabis products that pose public health risks, that are easily
4 confused with existing non-cannabis products, or that are especially attractive to youth; and

5 (v) any other requirements deemed suitable by the department;

6 (8) Limits and restrictions for marijuana transactions and sales including but not limited
7 to regulations which:

8 (i) establish processes and procedures to ensure all transactions and sales are properly
9 tracked through the use of a seed to sale inventory tracking and monitoring system;

10 (ii) establish rules and procedures for customer age verification;

11 (iii) establish rules and procedures to ensure retailers to no dispense, and customers to not
12 purchase amounts of marijuana in excess of the one ounce (1 oz) marijuana or equivalent amount
13 per transaction and/or per day;

14 (iv) establish rules and procedures to ensure no marijuana is dispensed to anyone under
15 the age of 21; and

16 (v) include any additional requirements deemed necessary by the office of cannabis
17 regulation;

18 (9) The testing and safety of marijuana and marijuana products including but not limited
19 to regulations promulgated by the office of cannabis regulation or department of health, as
20 applicable which:

21 (i) license and regulate the operation of cannabis testing facilities, including requirements
22 for equipment, training, and qualifications for personnel;

23 (ii) set forth procedures that require random sample testing to ensure quality control,
24 including, but not limited to, ensuring that cannabis and cannabis products are accurately labeled
25 for tetrahydrocannabinol (THC) content and any other product profile;

26 (iii) testing for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds
27 or mildew; filth; and harmful microbials such as E. coli or salmonella and pesticides, and any
28 other compounds, elements, or contaminants;

29 (iv) require all cannabis and cannabis products must undergo random sample testing at a
30 registered cannabis testing facility or other laboratory equipped to test cannabis and cannabis
31 products that has been approved by the office of cannabis regulation;

32 (v) require any products which fail testing be quarantined and/or recalled and destroyed
33 in accordance with regulations;

34 (vi) allow for the establishment of other quality assurance mechanisms which may

1 include but not be limited to the designation or creation of a reference laboratory, creation of a
2 secret shopper program, round robin testing , or any other mechanism to ensure the accuracy of
3 product testing and labeling;

4 (vii) require marijuana establishment licensees and marijuana products to comply with
5 any applicable food safety requirements determined by the office of cannabis regulation and/or
6 the department of health;

7 (viii) include any additional requirements deemed necessary by the office of cannabis
8 regulation and the department of health; and

9 (ix) allow the office of cannabis regulation, in coordination with the department of health,
10 at their discretion, to temporarily remove, or phase in, any requirement for laboratory testing if it
11 finds that there is not sufficient laboratory capacity for the market.

12 (10) Online sales;

13 (11) Transport and delivery;

14 (12) Marijuana and marijuana product packaging including but not limited to
15 requirements that packaging be:

16 (i) opaque;

17 (ii) constructed to be significantly difficult for children under five (5) years of age to
18 open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995) or
19 another approval standard or process approved by the office of cannabis regulation;

20 (iii) be designed in a way that is not deemed as especially appealing to children; and

21 (iv) any other regulations required by the office of cannabis regulation; and

22 (13) Regulations for the quarantine and/or destruction of unauthorized materials;

23 (14) Industry and licensee production limitations;

24 (15) Procedures for the approval or denial of a license, and procedures for suspension or
25 revocation of the license of any marijuana establishment licensee that violates the provisions of
26 this chapter, chapter 28.10 or the regulations promulgated thereunder in accordance with the
27 provisions of chapter 42-35 of the general laws;

28 (16) Compliance with municipal zoning restrictions, if any, which comply with § 21-
29 28.11-10 of this chapter;

30 (17) Standards and restrictions for marijuana manufacturing and processing which shall
31 include but not be limited to requirements that marijuana processors;

32 (i) comply with all applicable building and fire codes;

33 (ii) receive approval from the state fire marshal's office for all forms of manufacturing
34 that use a heat source or flammable solvent;

1 (iii) require any marijuana processor that manufactures edibles of marijuana infused food
2 products to comply with all applicable requirements and regulations issued by the department of
3 health’s office of food safety; and

4 (iv) comply with any other requirements deemed suitable by the office of cannabis
5 regulation.

6 (18) Standards for employee and workplace safety and sanitation;

7 (19) Standards for employee training including but not limited to:

8 (i) requirements that all employees of cannabis establishments must participate in a
9 comprehensive training on standard operating procedures, security protocols, health and
10 sanitation standards, workplace safety, and the provisions of this chapter prior to working at the
11 establishment. Employees must be retrained on an annual basis or if state officials discover a
12 cannabis establishment in violation of any rule, regulation, or guideline in the course of regular
13 inspections or audits; and

14 (ii) any other requirements deemed appropriate by the office of cannabis regulation; and

15 (20) Mandatory labeling that must be affixed to all packages containing cannabis or
16 cannabis products including but not limited to requirements that the label display:

17 (i) the name of the establishment that cultivated the cannabis or produced the cannabis
18 product;

19 (ii) the tetrahydrocannabinol (THC) content of the product;

20 (iii) a "produced on" date;

21 (iv) warnings that state: "Consumption of cannabis impairs your ability to drive a car or
22 operate machinery” and "Keep away from children” and, unless federal law has changed to
23 accommodate cannabis possession, "Possession of cannabis is illegal under federal law and in
24 many states outside of Rhode Island”;

25 (v) a symbol that reflects these products are not safe for children which contains poison
26 control contact information; and

27 (vi) any other information required by the office of cannabis regulation; and

28 (21) Standards for the use of pesticides; and

29 (22) General operating requirements, minimum oversight, and any other activities,
30 functions, or aspects of a marijuana establishment licensee in furtherance of creating a stable,
31 regulated cannabis industry and mitigating its impact on public health and safety.

32 **21-28.11-10. Municipal authority.**

33 (a) Municipalities shall:

34 (i) Have the authority to enact local zoning and use ordinances not in conflict with

this chapter or with rules and regulations adopted by the office of cannabis regulation regulating the time, place, and manner of marijuana establishments' operations, provided that no local authority may prohibit any type of marijuana establishments' operation altogether, either expressly or through the enactment of ordinances or regulations which make any type of marijuana establishments' operation impracticable and;

(ii) Adopt all zoning and other applicable ordinances in accordance with subsection (a)(i) before January 1, 2020.

(b) Zoning ordinances enacted by a local authority shall not require a marijuana establishment licensee or marijuana establishment applicant to enter into a community host agreement or pay any consideration to the municipality other than reasonable zoning and permitting fees as determined by the office of cannabis regulation. The office of cannabis regulation is the sole licensing authority for marijuana establishment licensees. A municipality shall not enact any local zoning ordinances or permitting requirements that establishes a de facto local license or licensing process unless explicitly enabled by this chapter or ensuing regulations promulgated by the office of cannabis regulation.

(c) Notwithstanding subsection (a) of this section;

(i) Municipalities may prohibit specific classes of marijuana establishment licenses, or all classes of marijuana establishment licenses from being issued within their jurisdiction if the residents of the municipality have approved, by a simple majority of the electors voting, a referendum to ban marijuana cultivation facilities, retailers, processors or marijuana testing facilities, provided such referendum must be conducted on or before November 5, 2019, and any ordinances related thereto must be adopted before January 1, 2020;

(ii) Municipalities must put forth a separate referendum question to ban each class of marijuana establishment. A single question to ban all classes of marijuana establishments shall not be permitted; and

(iii) Municipalities which ban the licensure of marijuana establishments located within their jurisdiction pursuant to c(i), and/or adopt local zoning and other ordinances pursuant to a(ii), before January 1, 2020, in accordance with this section, may hold future referenda to prohibit previously allowed licenses, or allow previously prohibited licenses, provided those subsequent referenda are held on the first Tuesday after the first Monday in the month of November.

(d) Notwithstanding subsections (a), (b) or (c) of this section, a municipality may not prohibit a medical marijuana establishment licensee from continuing to operate under a marijuana establishment license issued by the office of cannabis regulation if that marijuana establishment licensee was approved or licensed prior to the passage of this chapter.

1 (e) Notwithstanding any other provision of this chapter, no municipality or local authority
2 shall restrict the transport or delivery of marijuana through their jurisdiction, or to local residents,
3 provided all transport and/or delivery is in accordance with this chapter.

4 (f) Municipalities may impose civil and criminal penalties for the violation of
5 ordinances enacted pursuant to and in accordance with this section.

6 **21-28.11-11. Transportation of marijuana.**

7 The office of cannabis regulation shall promulgate regulations regarding secure
8 transportation of marijuana for eligible retailers delivering products to purchasers in
9 accordance with this chapter and shipments of marijuana or marijuana products between
10 marijuana establishment licensees.

11 **21-28.11-12. No minors on the premises of marijuana establishments.**

12 A marijuana establishment shall not allow any person who is under twenty-one
13 (21) years of age to be present inside any room where marijuana or marijuana products
14 are stored, produced, or sold by the marijuana establishment unless the person who is under
15 twenty-one (21) years of age is:

16 (1) A government employee performing their official duties; or

17 (2) If the marijuana establishment is a retailer, a medical marijuana patient
18 registered pursuant to chapter 28.6 of title 21, if the retailer premises are also licensed as
19 a compassion center pursuant to §21-28.6-12 and the individual under twenty-one (21)
20 years of age is a qualifying patient registered under chapter 28.6 of title 21.

21 **21-28.11-13. Contracts enforceable.**

22 It is the public policy of the state that contracts related to the operation of a
23 marijuana establishment, compassion center, or a licensee under chapter 2-26 in accordance
24 with Rhode Island law shall be enforceable. It is the public policy of the state that no contract
25 entered into by a licensed marijuana establishment, compassion center, hemp cultivator or
26 other licensee under chapter 2-26 of the general laws or its employees or agents as permitted
27 pursuant to a valid license issued by the office of cannabis regulation, or by those who allow
28 property to be used by an establishment, its employees, or its agents as permitted pursuant
29 to a valid license, shall be unenforceable solely on the basis that cultivating, obtaining,
30 manufacturing, distributing, dispensing, transporting, selling, possessing, testing or using
31 marijuana or hemp is prohibited by federal law.

32 **21-28.11-14. Compassion centers and medical marijuana cultivators.**

33 (a) Any compassion center or medical marijuana cultivator that holds a license in good
34 standing with the office of cannabis regulation prior to July 1, 2019 shall be issued a marijuana

retailer license, marijuana cultivation license, marijuana processor license, and any other applicable marijuana establishment license(s) for which it applies including but not limited to a marijuana delivery license, in accordance with this chapter, provided the compassion center or medical marijuana cultivator has been licensed or approved to engage in those corresponding activities under their current compassion center or medical marijuana license.

(b) Any compassion center that holds a license in good standing with the office of cannabis regulation prior to July 1, 2019 shall be issued corresponding marijuana establishment(s) license in accordance with this chapter as provided in subsection (a) for each location where they have been licensed or approved to engage in medical marijuana cultivation, manufacturing, and/or dispensing of medical marijuana by the office of cannabis regulation prior to January 1, 2019.

(c) Notwithstanding any other provision of this chapter, only a holder of a compassion center license in good standing with the office of cannabis regulation prior to July 1, 2019, may be issued or hold a marijuana cultivation license, and a marijuana processor license, and marijuana retail license, inclusive, at the same time before to January 1, 2023.

(d) Notwithstanding any other provision of the general laws, a licensed compassion center that also holds a license as a marijuana retailer, marijuana cultivator, or marijuana processor shall be exempt from the requirements of § 21-28.6-3(5), and shall not be required to register as a not for profit corporation under chapter 6 of title 7 of the general laws, provided they maintain operation and licensure as a licensed marijuana retailer, marijuana cultivator, or marijuana processor. The office of cannabis regulation may promulgate regulations or issue guidance to facilitate the transition from a not for profit corporation to a for profit corporation or other entity including but not limited to the requirement that the compassion center must update and/or resubmit licensing and application documents which reflect this transfer.

21-28.11-15. Establishment of marijuana trust fund.

(a) There is created with the general fund a restricted receipt accounts collectively known as the “marijuana trust fund”, otherwise known as the “adult use marijuana licensing” or “adult use marijuana licensing program” accounts. Taxes collected pursuant to § 44-49.1 and fees collected pursuant to 21-28.11 shall be deposited into this account. The state share of trust fund revenue will be used to fund programs and activities related to program administration; revenue collection and enforcement; substance use disorder prevention for adults and youth; education and public awareness campaigns; treatment and recovery support services; public health monitoring, research, data collection, and surveillance; law enforcement training and technology improvements including grants to local law enforcement; and such other related uses that may be

1 deemed necessary by the office of management and budget. The restricted receipt account will be
2 housed within the budgets of the departments of business regulation, health, revenue and public
3 safety, and the executive office of health and human services. All amounts deposited into the
4 marijuana trust fund shall be exempt from the indirect cost recovery provisions of § 35-4-27. The
5 allocation of the marijuana trust fund shall be:

6 (1) Twenty-five percent (25%) of trust fund revenue to the departments of business
7 regulation, health, revenue and public safety, and the executive office of health and human
8 services, except that in fiscal year 2020 the office of management and budget may allocate up to
9 an additional three million eight hundred thousand dollars (\$3,800,000) from trust fund revenues
10 to these agencies:

11 (2) Fifteen percent (15%) of trust fund revenue to cities and towns; and

12 (3) Sixty percent (60%) of trust fund revenue to the general fund.

13 (b) All revenue allocated to cities and towns under subsection (a)(2) shall be distributed
14 at least quarterly by the division of taxation and department of business regulation, credited and
15 paid by the state treasurer to the city or town based on the following allocation:

16 (1) One-quarter based in an equal distribution to each city or town in the state;

17 (2) One-quarter based on the share of total licensed marijuana cultivators, licensed
18 marijuana processors, and licensed marijuana retailers found in each city or town at the end of the
19 quarter that corresponds to the distribution, with licensed marijuana retailers assigned a weight
20 twice that of the other license types; and

21 (3) One-half based on the volume of sales of adult use marijuana products that occurred
22 in each city or town in the quarter of the distribution.

23 (c) The division of taxation and the department of business regulation shall jointly
24 promulgate regulations to effectuate the distribution under subsection (a)(2).

25 **21-28.11-16. Transfer of revenue to the marijuana trust fund.**

26 The department of business regulation shall transfer all revenue collected pursuant to this
27 chapter, including penalties or forfeitures, interest, costs of suit and fines, to the marijuana trust
28 fund established by § 21-28.11-15.

29 **21-28.11-17. Severability.**

30 If any provision of this chapter or its application thereof to any person or
31 circumstance is held invalid, such invalidity shall not affect other provisions or
32 applications of this chapter, which can be given effect without the invalid provision or
33 application, and to this end the provisions of this chapter are declared to be severable.

34 SECTION 8. Sections 31-27-2, 31-27-2.1 and 31-27-2.9 of the General Laws in Chapter

1 31-27 entitled "Motor Vehicle Offenses" are hereby amended to read as follows:

2 **31-27-2. Driving under influence of liquor or drugs.**

3 (a) Whoever drives or otherwise operates any vehicle in the state while under the
4 influence of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in
5 chapter 28 of title 21, or any combination of these, shall be guilty of a misdemeanor, except as
6 provided in subsection (d)(3), and shall be punished as provided in subsection (d).

7 (b)(1) Any person charged under subsection (a), whose blood alcohol concentration is
8 eight one-hundredths of one percent (.08%) or more by weight, as shown by a chemical analysis
9 of a blood, breath, or urine sample, shall be guilty of violating subsection (a). This provision shall
10 not preclude a conviction based on other admissible evidence, [including the testimony of a drug](#)
11 [recognition expert or evaluator, certified pursuant to training approved by the Rhode Island](#)
12 [Department of Transportation Office on Highway Safety](#). Proof of guilt under this section may
13 also be based on evidence that the person charged was under the influence of intoxicating liquor,
14 drugs, toluene, or any controlled substance defined in chapter 28 of title 21, or any combination
15 of these, to a degree that rendered the person incapable of safely operating a vehicle. The fact that
16 any person charged with violating this section is, or has been, legally entitled to use alcohol or a
17 drug shall not constitute a defense against any charge of violating this section.

18 (2) Whoever drives, or otherwise operates, any vehicle in the state with a blood presence
19 of any scheduled controlled substance as defined within chapter 28 of title 21, as shown by
20 analysis of a blood or urine sample, shall be guilty of a misdemeanor and shall be punished as
21 provided in subsection (d).

22 (c) In any criminal prosecution for a violation of subsection (a), evidence as to the
23 amount of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of
24 title 21, or any combination of these, in the defendant's blood at the time alleged as shown by a
25 chemical analysis of the defendant's breath, blood, [saliva](#) or urine or other bodily substance, shall
26 be admissible and competent, provided that evidence is presented that the following conditions
27 have been complied with:

28 (1) The defendant has consented to the taking of the test upon which the analysis is made.
29 Evidence that the defendant had refused to submit to the test shall not be admissible unless the
30 defendant elects to testify.

31 (2) A true copy of the report of the test result was mailed within seventy-two (72) hours
32 of the taking of the test to the person submitting to a breath test.

33 (3) Any person submitting to a chemical test of blood, urine, [saliva](#) or other body fluids
34 shall have a true copy of the report of the test result mailed to him or her within thirty (30) days

1 following the taking of the test.

2 (4) The test was performed according to methods and with equipment approved by the
3 director of the department of health of the state of Rhode Island and by an authorized individual.

4 (5) Equipment used for the conduct of the tests by means of breath analysis had been
5 tested for accuracy within thirty (30) days preceding the test by personnel qualified as
6 hereinbefore provided, and breathalyzer operators shall be qualified and certified by the
7 department of health within three hundred sixty-five (365) days of the test.

8 (6) The person arrested and charged with operating a motor vehicle while under the
9 influence of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of
10 title 21 or any combination of these in violation of subsection (a), was afforded the opportunity to
11 have an additional chemical test. The officer arresting or so charging the person shall have
12 informed the person of this right and afforded him or her a reasonable opportunity to exercise this
13 right, and a notation to this effect is made in the official records of the case in the police
14 department. Refusal to permit an additional chemical test shall render incompetent and
15 inadmissible in evidence the original report.

16 (d)(1)(i) Every person found to have violated subsection (b)(1) shall be sentenced as
17 follows: for a first violation whose blood alcohol concentration is eight one-hundredths of one
18 percent (.08%), but less than one-tenth of one percent (.1%), by weight, or who has a blood
19 presence of any scheduled controlled substance as defined in subsection (b)(2), shall be subject to
20 a fine of not less than one hundred dollars (\$100), nor more than three hundred dollars (\$300);
21 shall be required to perform ten (10) to sixty (60) hours of public community restitution, and/or
22 shall be imprisoned for up to one year. The sentence may be served in any unit of the adult
23 correctional institutions in the discretion of the sentencing judge and/or shall be required to attend
24 a special course on driving while intoxicated or under the influence of a controlled substance;
25 provided, however, that the court may permit a servicemember or veteran to complete any court-
26 approved counseling program administered or approved by the Veterans' Administration, and his
27 or her driver's license shall be suspended for thirty (30) days up to one hundred eighty (180) days.
28 The sentencing judge or magistrate may prohibit that person from operating a motor vehicle that
29 is not equipped with an ignition interlock system as provided in § 31-27-2.8.

30 (ii) Every person convicted of a first violation whose blood alcohol concentration is one-
31 tenth of one percent (.1%) by weight or above, but less than fifteen hundredths of one percent
32 (.15%), or whose blood alcohol concentration is unknown, shall be subject to a fine of not less
33 than one hundred (\$100) dollars, nor more than four hundred dollars (\$400), and shall be required
34 to perform ten (10) to sixty (60) hours of public community restitution and/or shall be imprisoned

1 for up to one year. The sentence may be served in any unit of the adult correctional institutions in
2 the discretion of the sentencing judge. The person's driving license shall be suspended for a
3 period of three (3) months to twelve (12) months. The sentencing judge shall require attendance
4 at a special course on driving while intoxicated or under the influence of a controlled substance
5 and/or alcoholic or drug treatment for the individual; provided, however, that the court may
6 permit a servicemember or veteran to complete any court-approved counseling program
7 administered or approved by the Veterans' Administration. The sentencing judge or magistrate
8 may prohibit that person from operating a motor vehicle that is not equipped with an ignition
9 interlock system as provided in § 31-27-2.8.

10 (iii) Every person convicted of a first offense whose blood alcohol concentration is
11 fifteen hundredths of one percent (.15%) or above, or who is under the influence of a drug,
12 toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to a fine of
13 five hundred dollars (\$500) and shall be required to perform twenty (20) to sixty (60) hours of
14 public community restitution and/or shall be imprisoned for up to one year. The sentence may be
15 served in any unit of the adult correctional institutions in the discretion of the sentencing judge.
16 The person's driving license shall be suspended for a period of three (3) months to eighteen (18)
17 months. The sentencing judge shall require attendance at a special course on driving while
18 intoxicated or under the influence of a controlled substance and/or alcohol or drug treatment for
19 the individual; provided, however, that the court may permit a servicemember or veteran to
20 complete any court-approved counseling program administered or approved by the Veterans'
21 Administration. The sentencing judge or magistrate shall prohibit that person from operating a
22 motor vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.

23 (2)(i) Every person convicted of a second violation within a five-year (5) period with a
24 blood alcohol concentration of eight one-hundredths of one percent (.08%) or above, but less than
25 fifteen hundredths of one percent (.15%), or whose blood alcohol concentration is unknown, or
26 who has a blood presence of any controlled substance as defined in subsection (b)(2), and every
27 person convicted of a second violation within a five-year (5) period, regardless of whether the
28 prior violation and subsequent conviction was a violation and subsequent conviction under this
29 statute or under the driving under the influence of liquor or drugs statute of any other state, shall
30 be subject to a mandatory fine of four hundred dollars (\$400). The person's driving license shall
31 be suspended for a period of one year to two (2) years, and the individual shall be sentenced to
32 not less than ten (10) days, nor more than one year, in jail. The sentence may be served in any
33 unit of the adult correctional institutions in the discretion of the sentencing judge; however, not
34 less than forty-eight (48) hours of imprisonment shall be served consecutively. The sentencing

1 judge shall require alcohol or drug treatment for the individual; provided, however, that the court
2 may permit a servicemember or veteran to complete any court-approved counseling program
3 administered or approved by the Veterans' Administration and shall prohibit that person from
4 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
5 31-27-2.8.

6 (ii) Every person convicted of a second violation within a five-year (5) period whose
7 blood alcohol concentration is fifteen hundredths of one percent (.15%) or above, by weight as
8 shown by a chemical analysis of a blood, breath, or urine sample, or who is under the influence of
9 a drug, toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to
10 mandatory imprisonment of not less than six (6) months, nor more than one year; a mandatory
11 fine of not less than one thousand dollars (\$1,000); and a mandatory license suspension for a
12 period of two (2) years from the date of completion of the sentence imposed under this
13 subsection. The sentencing judge shall require alcohol or drug treatment for the individual;
14 provided, however, that the court may permit a servicemember or veteran to complete any court
15 approved counseling program administered or approved by the Veterans' Administration. The
16 sentencing judge or magistrate shall prohibit that person from operating a motor vehicle that is
17 not equipped with an ignition interlock system as provided in § 31-27-2.8

18 (3)(i) Every person convicted of a third or subsequent violation within a five-year (5)
19 period with a blood alcohol concentration of eight one-hundredths of one percent (.08%) or
20 above, but less than fifteen hundredths of one percent (.15%), or whose blood alcohol
21 concentration is unknown or who has a blood presence of any scheduled controlled substance as
22 defined in subsection (b)(2), regardless of whether any prior violation and subsequent conviction
23 was a violation and subsequent conviction under this statute or under the driving under the
24 influence of liquor or drugs statute of any other state, shall be guilty of a felony and be subject to
25 a mandatory fine of four hundred (\$400) dollars. The person's driving license shall be suspended
26 for a period of two (2) years to three (3) years, and the individual shall be sentenced to not less
27 than one year and not more than three (3) years in jail. The sentence may be served in any unit of
28 the adult correctional institutions in the discretion of the sentencing judge; however, not less than
29 forty-eight (48) hours of imprisonment shall be served consecutively. The sentencing judge shall
30 require alcohol or drug treatment for the individual; provided, however, that the court may permit
31 a servicemember or veteran to complete any court-approved counseling program administered or
32 approved by the Veterans' Administration, and shall prohibit that person from operating a motor
33 vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.

34 (ii) Every person convicted of a third or subsequent violation within a five-year (5) period

1 whose blood alcohol concentration is fifteen hundredths of one percent (.15%) above by weight
2 as shown by a chemical analysis of a blood, breath, or urine sample, or who is under the influence
3 of a drug, toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to
4 mandatory imprisonment of not less than three (3) years, nor more than five (5) years; a
5 mandatory fine of not less than one thousand dollars (\$1,000), nor more than five thousand
6 dollars (\$5,000); and a mandatory license suspension for a period of three (3) years from the date
7 of completion of the sentence imposed under this subsection. The sentencing judge shall require
8 alcohol or drug treatment for the individual. The sentencing judge or magistrate shall prohibit that
9 person from operating a motor vehicle that is not equipped with an ignition interlock system as
10 provided in § 31-27-2.8.

11 (iii) In addition to the foregoing penalties, every person convicted of a third or
12 subsequent violation within a five-year (5) period, regardless of whether any prior violation and
13 subsequent conviction was a violation and subsequent conviction under this statute or under the
14 driving under the influence of liquor or drugs statute of any other state, shall be subject, in the
15 discretion of the sentencing judge, to having the vehicle owned and operated by the violator
16 seized and sold by the state of Rhode Island, with all funds obtained by the sale to be transferred
17 to the general fund.

18 (4) Whoever drives or otherwise operates any vehicle in the state while under the
19 influence of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in
20 chapter 28 of title 21, or any combination of these, when his or her license to operate is
21 suspended, revoked, or cancelled for operating under the influence of a narcotic drug or
22 intoxicating liquor, shall be guilty of a felony punishable by imprisonment for not more than three
23 (3) years and by a fine of not more than three thousand dollars (\$3,000). The court shall require
24 alcohol and/or drug treatment for the individual; provided, the penalties provided for in this
25 subsection (d)(4) shall not apply to an individual who has surrendered his or her license and
26 served the court-ordered period of suspension, but who, for any reason, has not had his or her
27 license reinstated after the period of suspension, revocation, or suspension has expired; provided,
28 further, the individual shall be subject to the provisions of subdivision (d)(2)(i), (d)(2)(ii),
29 (d)(3)(i), (d)(3)(ii), or (d)(3)(iii) regarding subsequent offenses, and any other applicable
30 provision of this section.

31 (5)(i) For purposes of determining the period of license suspension, a prior violation shall
32 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.1.

33 (ii) Any person over the age of eighteen (18) who is convicted under this section for
34 operating a motor vehicle while under the influence of alcohol, other drugs, or a combination of

1 these, while a child under the age of thirteen (13) years was present as a passenger in the motor
2 vehicle when the offense was committed shall be subject to immediate license suspension
3 pending prosecution. Any person convicted of violating this section shall be guilty of a
4 misdemeanor for a first offense and may be sentenced to a term of imprisonment of not more than
5 one year and a fine not to exceed one thousand dollars (\$1,000). Any person convicted of a
6 second or subsequent offense shall be guilty of a felony offense and may be sentenced to a term
7 of imprisonment of not more than five (5) years and a fine not to exceed five thousand dollars
8 (\$5,000). The sentencing judge shall also order a license suspension of up to two (2) years,
9 require attendance at a special course on driving while intoxicated or under the influence of a
10 controlled substance, and alcohol or drug education and/or treatment. The individual may also be
11 required to pay a highway assessment fee of no more than five hundred dollars (\$500) and the
12 assessment shall be deposited in the general fund.

13 (6)(i) Any person convicted of a violation under this section shall pay a highway
14 assessment fine of five hundred dollars (\$500) that shall be deposited into the general fund. The
15 assessment provided for by this subsection shall be collected from a violator before any other
16 fines authorized by this section.

17 (ii) Any person convicted of a violation under this section shall be assessed a fee of
18 eighty-six dollars (\$86).

19 (7)(i) If the person convicted of violating this section is under the age of eighteen (18)
20 years, for the first violation he or she shall be required to perform ten (10) to sixty (60) hours of
21 public community restitution and the juvenile's driving license shall be suspended for a period of
22 six (6) months, and may be suspended for a period up to eighteen (18) months. The sentencing
23 judge shall also require attendance at a special course on driving while intoxicated or under the
24 influence of a controlled substance and alcohol or drug education and/or treatment for the
25 juvenile. The juvenile may also be required to pay a highway assessment fine of no more than
26 five hundred dollars (\$500) and the assessment imposed shall be deposited into the general fund.

27 (ii) If the person convicted of violating this section is under the age of eighteen (18)
28 years, for a second or subsequent violation regardless of whether any prior violation and
29 subsequent conviction was a violation and subsequent under this statute or under the driving
30 under the influence of liquor or drugs statute of any other state, he or she shall be subject to a
31 mandatory suspension of his or her driving license until such time as he or she is twenty-one (21)
32 years of age and may, in the discretion of the sentencing judge, also be sentenced to the Rhode
33 Island training school for a period of not more than one year and/or a fine of not more than five
34 hundred dollars (\$500).

1 (8) Any person convicted of a violation under this section may undergo a clinical
2 assessment at the community college of Rhode Island's center for workforce and community
3 education. Should this clinical assessment determine problems of alcohol, drug abuse, or
4 psychological problems associated with alcoholic or drug abuse, this person shall be referred to
5 an appropriate facility, licensed or approved by the department of behavioral healthcare,
6 developmental disabilities and hospitals, for treatment placement, case management, and
7 monitoring. In the case of a servicemember or veteran, the court may order that the person be
8 evaluated through the Veterans' Administration. Should the clinical assessment determine
9 problems of alcohol, drug abuse, or psychological problems associated with alcohol or drug
10 abuse, the person may have their treatment, case management, and monitoring administered or
11 approved by the Veterans' Administration.

12 (e) Percent by weight of alcohol in the blood shall be based upon milligrams of alcohol
13 per one hundred (100) cubic centimeters of blood.

14 (f)(1) There is established an alcohol and drug safety unit within the division of motor
15 vehicles to administer an alcohol safety action program. The program shall provide for placement
16 and follow-up for persons who are required to pay the highway safety assessment. The alcohol
17 and drug safety action program will be administered in conjunction with alcohol and drug
18 programs licensed by the department of behavioral healthcare, developmental disabilities and
19 hospitals.

20 (2) Persons convicted under the provisions of this chapter shall be required to attend a
21 special course on driving while intoxicated or under the influence of a controlled substance,
22 and/or participate in an alcohol or drug treatment program, [which course and programs must meet](#)
23 [the standards established by the Rhode Island department of behavioral healthcare, developmental](#)
24 [disabilities and hospitals](#); provided, however, that the court may permit a servicemember or
25 veteran to complete any court-approved counseling program administered or approved by the
26 Veterans' Administration. The course shall take into consideration any language barrier that may
27 exist as to any person ordered to attend, and shall provide for instruction reasonably calculated to
28 communicate the purposes of the course in accordance with the requirements of the subsection.
29 Any costs reasonably incurred in connection with the provision of this accommodation shall be
30 borne by the person being retrained. A copy of any violation under this section shall be forwarded
31 by the court to the alcohol and drug safety unit. In the event that persons convicted under the
32 provisions of this chapter fail to attend and complete the above course or treatment program, as
33 ordered by the judge, then the person may be brought before the court, and after a hearing as to
34 why the order of the court was not followed, may be sentenced to jail for a period not exceeding

1 one year.

2 (3) The alcohol and drug safety action program within the division of motor vehicles
3 shall be funded by general revenue appropriations.

4 (g) The director of the health department of the state of Rhode Island is empowered to
5 make and file with the secretary of state regulations that prescribe the techniques and methods of
6 chemical analysis of the person's body fluids or breath and the qualifications and certification of
7 individuals authorized to administer this testing and analysis.

8 (h) Jurisdiction for misdemeanor violations of this section shall be with the district court
9 for persons eighteen (18) years of age or older and to the family court for persons under the age
10 of eighteen (18) years. The courts shall have full authority to impose any sentence authorized and
11 to order the suspension of any license for violations of this section. All trials in the district court
12 and family court of violations of the section shall be scheduled within thirty (30) days of the
13 arraignment date. No continuance or postponement shall be granted except for good cause shown.
14 Any continuances that are necessary shall be granted for the shortest practicable time. Trials in
15 superior court are not required to be scheduled within thirty (30) days of the arraignment date.

16 (i) No fines, suspensions, assessments, alcohol or drug treatment programs, course on
17 driving while intoxicated or under the influence of a controlled substance, public community
18 restitution, or jail provided for under this section can be suspended.

19 (j) An order to attend a special course on driving while intoxicated that shall be
20 administered in cooperation with a college or university accredited by the state, shall include a
21 provision to pay a reasonable tuition for the course in an amount not less than twenty-five dollars
22 (\$25.00), and a fee of one hundred seventy-five dollars (\$175), which fee shall be deposited into
23 the general fund.

24 (k) For the purposes of this section, any test of a sample of blood, breath, or urine for the
25 presence of alcohol that relies in whole or in part upon the principle of infrared light absorption is
26 considered a chemical test.

27 (l) If any provision of this section, or the application of any provision, shall for any
28 reason be judged invalid, such a judgment shall not affect, impair, or invalidate the remainder of
29 the section, but shall be confined in this effect to the provision or application directly involved in
30 the controversy giving rise to the judgment.

31 (m) For the purposes of this section, "servicemember" means a person who is presently
32 serving in the armed forces of the United States, including the Coast Guard, a reserve component
33 thereof, or the National Guard. "Veteran" means a person who has served in the armed forces,
34 including the Coast Guard of the United States, a reserve component thereof, or the National

Guard, and has been discharged under other than dishonorable conditions.

31-27-2.1. Refusal to submit to chemical test.

(a) Any person who operates a motor vehicle within this state shall be deemed to have given his or her consent to chemical tests of his or her breath, blood, [saliva](#) and/or urine for the purpose of determining the chemical content of his or her body fluids or breath. No more than two (2) complete tests, one for the presence of intoxicating liquor and one for the presence of toluene or any controlled substance, as defined in § 21-28-1.02(8), shall be administered at the direction of a law enforcement officer having reasonable grounds to believe the person to have been driving a motor vehicle within this state while under the influence of intoxicating liquor, toluene, or any controlled substance, as defined in chapter 28 of title 21, or any combination of these. The director of the department of health is empowered to make and file, with the secretary of state, regulations that prescribe the techniques and methods of chemical analysis of the person's body fluids or breath and the qualifications and certification of individuals authorized to administer the testing and analysis.

(b) If a person, for religious or medical reasons, cannot be subjected to blood tests, the person may file an affidavit with the division of motor vehicles stating the reasons why he or she cannot be required to take blood tests and a notation to this effect shall be made on his or her license. If that person is asked to submit to chemical tests as provided under this chapter, the person shall only be required to submit to chemical tests of his or her breath, [saliva](#) or urine. When a person is requested to submit to blood tests, only a physician or registered nurse, or a medical technician certified under regulations promulgated by the director of the department of health, may withdraw blood for the purpose of determining the alcoholic content in it. This limitation shall not apply to the taking of breath, [saliva](#) or urine specimens. The person tested shall be permitted to have a physician of his or her own choosing, and at his or her own expense, administer chemical tests of his or her breath, [saliva](#) blood, and/or urine in addition to the tests administered at the direction of a law enforcement officer. If a person, having been placed under arrest, refuses upon the request of a law enforcement officer to submit to the tests, as provided in § 31-27-2, none shall be given, but a judge or magistrate of the traffic tribunal or district court judge or magistrate, upon receipt of a report of a law enforcement officer: that he or she had reasonable grounds to believe the arrested person had been driving a motor vehicle within this state under the influence of intoxicating liquor, toluene, or any controlled substance, as defined in chapter 28 of title 21, or any combination of these; that the person had been informed of his or her rights in accordance with § 31-27-3; that the person had been informed of the penalties incurred as a result of noncompliance with this section; and that the person had refused to submit to the

1 tests upon the request of a law enforcement officer; shall promptly order that the person's
2 operator's license or privilege to operate a motor vehicle in this state be immediately suspended,
3 however, said suspension shall be subject to the hardship provisions enumerated in § 31-27-2.8.

4 A traffic tribunal judge or magistrate, or a district court judge or magistrate, pursuant to the terms
5 of subsection (c), shall order as follows:

6 (1) Impose, for the first violation, a fine in the amount of two hundred dollars (\$200) to
7 five hundred dollars (\$500) and shall order the person to perform ten (10) to sixty (60) hours of
8 public community restitution. The person's driving license in this state shall be suspended for a
9 period of six (6) months to one year. The traffic tribunal judge or magistrate shall require
10 attendance at a special course on driving while intoxicated or under the influence of a controlled
11 substance and/or alcohol or drug treatment for the individual. The traffic tribunal judge or
12 magistrate may prohibit that person from operating a motor vehicle that is not equipped with an
13 ignition interlock system as provided in § 31-27-2.8.

14 (2) Every person convicted of a second violation within a five-year (5) period, except
15 with respect to cases of refusal to submit to a blood test, shall be guilty of a misdemeanor; shall
16 be imprisoned for not more than six (6) months; shall pay a fine in the amount of six hundred
17 dollars (\$600) to one thousand dollars (\$1,000); perform sixty (60) to one hundred (100) hours of
18 public community restitution; and the person's driving license in this state shall be suspended for
19 a period of one year to two (2) years. The judge or magistrate shall require alcohol and/or drug
20 treatment for the individual. The sentencing judge or magistrate shall prohibit that person from
21 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
22 31-27-2.8.

23 (3) Every person convicted for a third or subsequent violation within a five-year (5)
24 period, except with respect to cases of refusal to submit to a blood test, shall be guilty of a
25 misdemeanor; and shall be imprisoned for not more than one year; fined eight hundred dollars
26 (\$800) to one thousand dollars (\$1,000); shall perform not less than one hundred (100) hours of
27 public community restitution; and the person's operator's license in this state shall be suspended
28 for a period of two (2) years to five (5) years. The sentencing judge or magistrate shall prohibit
29 that person from operating a motor vehicle that is not equipped with an ignition interlock system
30 as provided in § 31-27-2.8. The judge or magistrate shall require alcohol or drug treatment for
31 the individual. Provided, that prior to the reinstatement of a license to a person charged with a
32 third or subsequent violation within a three-year (3) period, a hearing shall be held before a judge
33 or magistrate. At the hearing, the judge or magistrate shall review the person's driving record, his
34 or her employment history, family background, and any other pertinent factors that would

1 indicate that the person has demonstrated behavior that warrants the reinstatement of his or her
2 license.

3 (4) For a second violation within a five-year (5) period with respect to a case of a refusal
4 to submit to a blood test, a fine in the amount of six hundred dollars (\$600) to one thousand
5 dollars (\$1,000); the person shall perform sixty (60) to one hundred (100) hours of public
6 community restitution; and the person's driving license in this state shall be suspended for a
7 period of two (2) years. The judicial officer shall require alcohol and/or drug treatment for the
8 individual. The sentencing judicial officer shall prohibit that person from operating a motor
9 vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8. Such a
10 violation with respect to refusal to submit to a chemical blood test shall be a civil offense.

11 (5) For a third or subsequent violation within a five-year (5) period with respect to a case
12 of a refusal to submit to a blood test, a fine in the amount of eight hundred dollars (\$800) to one
13 thousand dollars (\$1,000); the person shall perform not less than one hundred (100) hours of
14 public community restitution; and the person's driving license in this state shall be suspended for
15 a period of two (2) to five (5) years. The sentencing judicial officer shall prohibit that person from
16 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
17 31-27-2.8. The judicial officer shall require alcohol and/or drug treatment for the individual. Such
18 a violation with respect to refusal to submit to a chemical test of blood shall be a civil offense.
19 Provided, that prior to the reinstatement of a license to a person charged with a third or
20 subsequent violation within a three-year (3) period, a hearing shall be held before a judicial
21 officer. At the hearing, the judicial officer shall review the person's driving record, his or her
22 employment history, family background, and any other pertinent factors that would indicate that
23 the person has demonstrated behavior that warrants the reinstatement of their license.

24 (6) For purposes of determining the period of license suspension, a prior violation shall
25 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.

26 (7) In addition to any other fines, a highway safety assessment of five hundred dollars
27 (\$500) shall be paid by any person found in violation of this section, the assessment to be
28 deposited into the general fund. The assessment provided for by this subsection shall be collected
29 from a violator before any other fines authorized by this section.

30 (8) In addition to any other fines and highway safety assessments, a two-hundred-dollar
31 (\$200) assessment shall be paid by any person found in violation of this section to support the
32 department of health's chemical testing programs outlined in § 31-27-2(4), that shall be deposited
33 as general revenues, not restricted receipts.

34 (9) No fines, suspensions, assessments, alcohol or drug treatment programs, course on

1 driving while intoxicated or under the influence of a controlled substance, or public community
2 restitution provided for under this section can be suspended.

3 (c) Upon suspending or refusing to issue a license or permit as provided in subsection (a),
4 the traffic tribunal or district court shall immediately notify the person involved in writing, and
5 upon his or her request, within fifteen (15) days, shall afford the person an opportunity for a
6 hearing as early as practical upon receipt of a request in writing. Upon a hearing, the judge may
7 administer oaths and may issue subpoenas for the attendance of witnesses and the production of
8 relevant books and papers. If the judge finds after the hearing that:

9 (1) The law enforcement officer making the sworn report had reasonable grounds to
10 believe that the arrested person had been driving a motor vehicle within this state while under the
11 influence of intoxicating liquor, toluene, or any controlled substance, as defined in chapter 28 of
12 title 21, or any combination of these;

13 (2) The person, while under arrest, refused to submit to the tests upon the request of a law
14 enforcement officer;

15 (3) The person had been informed of his or her rights in accordance with § 31-27-3; and

16 (4) The person had been informed of the penalties incurred as a result of noncompliance
17 with this section, the judge shall sustain the violation. The judge shall then impose the penalties
18 set forth in subsection (b). Action by the judge must be taken within seven (7) days after the
19 hearing or it shall be presumed that the judge has refused to issue his or her order of suspension.

20 (d) For the purposes of this section, any test of a sample of blood, breath, or urine for the
21 presence of alcohol that relies, in whole or in part, upon the principle of infrared light absorption
22 is considered a chemical test.

23 (e) If any provision of this section, or the application of any provision, shall, for any
24 reason, be judged invalid, the judgment shall not affect, impair, or invalidate the remainder of the
25 section, but shall be confined in this effect to the provisions or application directly involved in the
26 controversy giving rise to the judgment.

27 **31-27-2.9. Administration of chemical test.**

28 (a) Notwithstanding any provision of § 31-27-2.1, if an individual refuses to consent to a
29 chemical test as provided in § 31-27-2.1, and a peace officer, as defined in § 12-7-21, has
30 probable cause to believe that the individual has violated one or more of the following sections:
31 31-27-1, 31-27-1.1, 31-27-2.2, or 31-27-2.6 and that the individual was operating a motor vehicle
32 under the influence of any intoxicating liquor, toluene or any controlled substance as defined in
33 chapter 21-28, or any combination thereof, a chemical test may be administered without the
34 consent of that individual provided that the peace officer first obtains a search warrant authorizing

1 administration of the chemical test. The chemical test shall determine the amount of the alcohol
2 or the presence of a controlled substance in that person's blood, [saliva](#) or breath.

3 (b) The chemical test shall be administered in accordance with the methods approved by
4 the director of the department of health as provided for in subdivision 31-27-2(c)(4). The
5 individual shall be afforded the opportunity to have an additional chemical test as established in
6 subdivision 31-27-2(c)(6).

7 (c) Notwithstanding any other law to the contrary, including, but not limited to, chapter
8 5-37.3, any health care provider who, as authorized by the search warrant in subsection (a):

9 (i) Takes a blood, [saliva](#) or breath sample from an individual; or

10 (ii) Performs the chemical test; or

11 (iii) Provides information to a peace officer pursuant to subsection (a) above and who
12 uses reasonable care and accepted medical practices shall not be liable in any civil or criminal
13 proceeding arising from the taking of the sample, from the performance of the chemical test or
14 from the disclosure or release of the test results.

15 (d) The results of a chemical test performed pursuant to this section shall be admissible as
16 competent evidence in any civil or criminal prosecution provided that evidence is presented in
17 compliance with the conditions set forth in subdivisions 31-27-2(c)(3), 31-27-2(c)(4) and 31-27-
18 2(c)(6).

19 (e) All chemical tests administered pursuant to this section shall be audio and video
20 recorded by the law enforcement agency which applied for and was granted the search warrant
21 authorizing the administration of the chemical test.

22 SECTION 9. Sections 44-49-1, 44-49-2, 44-49-4, 44-49-5, 44-49-7, 44-49-8, 44-49-9,
23 44-49-9.1, 44-49-10, 44-49-11 and 44-49-12 of the General Laws in Chapter 44-49 entitled
24 "Taxation of Marijuana and Controlled Substances" are hereby amended to read as follows:

25 **44-49-1. Short title.**

26 This chapter shall be known as the "~~Marijuana and~~ Controlled Substances Taxation Act".

27 **44-49-2. Definitions.**

28 (a) "Controlled substance" means any drug or substance, whether real or counterfeit, as
29 defined in § 21-28-1.02(8), that is held, possessed, transported, transferred, sold, or offered to be
30 sold in violation of Rhode Island laws. "Controlled substance" does not include marijuana.

31 (b) "Dealer" means a person who in violation of Rhode Island law manufactures,
32 produces, ships, transports, or imports into Rhode Island or in any manner acquires or possesses
33 ~~more than forty-two and one-half (42.5) grams of marijuana, or~~ seven (7) or more grams of any
34 controlled substance, or ten (10) or more dosage units of any controlled substance which is not

1 sold by weight. A quantity of ~~marijuana-or~~ a controlled substance is measured by the weight of
2 the substance whether pure or impure or dilute, or by dosage units when the substance is not sold
3 by weight, in the dealer's possession. A quantity of a controlled substance is dilute if it consists of
4 a detectable quantity of pure controlled substance and any excipients or fillers.

5 ~~(c) "Marijuana" means any marijuana, whether real or counterfeit, as defined in § 21-28-~~
6 ~~1.02(30), that is held, possessed, transported, transferred, sold, or offered to be sold in violation of~~
7 ~~Rhode Island laws.~~

8 **44-49-4. Rules.**

9 The tax administrator may adopt rules necessary to enforce this chapter. The tax
10 administrator shall adopt a uniform system of providing, affixing, and displaying official stamps,
11 official labels, or other official indicia for ~~marijuana-and~~ controlled substances on which a tax is
12 imposed.

13 **44-49-5. Tax payment required for possession.**

14 No dealer may possess any ~~marijuana-or~~ controlled substance upon which a tax is
15 imposed under this chapter unless the tax has been paid on the ~~marijuana-or~~ a controlled
16 substance as evidenced by a stamp or other official indicia.

17 **44-49-7. Pharmaceuticals.**

18 Nothing in this chapter shall require persons lawfully in possession of marijuana or a
19 controlled substance to pay the tax required under this chapter.

20 **44-49-8. Measurement.**

21 For the purpose of calculating this tax, a quantity of ~~marijuana-or~~ a controlled substance
22 is measured by the weight of the substance whether pure or impure or dilute, or by dosage units
23 when the substance is not sold by weight, in the dealer's possession. A quantity of a controlled
24 substance is dilute if it consists of a detectable quantity of pure controlled substance and any
25 excipients or fillers.

26 **44-49-9. Tax rate.**

27 A tax is imposed on ~~marijuana-and~~ controlled substances as defined in § 44-49-2 at the
28 following rates:

29 ~~(1) On each gram of marijuana, or each portion of a gram, three dollars and fifty cents~~
30 ~~(\$3.50); and~~

31 ~~(2)~~(1) On each gram of controlled substance, or portion of a gram, two hundred dollars
32 (\$200); or

33 ~~(3)~~(2) On each ten (10) dosage units of a controlled substance that is not sold by weight,
34 or portion of the dosage units, four hundred dollars (\$400).

1 **44-49-9.1. Imposition of tax, interest and liens.**

2 (a) Any law enforcement agency seizing ~~marijuana-and/or~~ controlled substances as
3 defined in § 44-49-2 in the quantities set forth in that section shall report to the division of
4 taxation no later than the twenty-fifth (25th) of each month, the amount of all ~~marijuana-and~~
5 controlled substances seized during the previous month and the name and address of each dealer
6 from whom the ~~marijuana-and~~ controlled substances were seized.

7 (b) The tax administrator shall assess the dealer for any tax due at the rate provided by §
8 44-49-9. The tax shall be payable within fifteen (15) days after its assessment and, if not paid
9 when due, shall bear interest from the date of its assessment at the rate provided in § 44-1-7 until
10 paid.

11 (c) The tax administrator may file a notice of tax lien upon the real property of the dealer
12 located in this state immediately upon mailing a notice of assessment to the dealer at the address
13 listed in the report of the law enforcement agency. The tax administrator may discharge the lien
14 imposed upon the filing of a bond satisfactory to the tax administrator in an amount equal to the
15 tax, interest and penalty imposed under this chapter.

16 **44-49-10. Penalties -- Criminal provisions.**

17 (a) Penalties. Any dealer violating this chapter is subject to a penalty of one hundred
18 percent (100%) of the tax in addition to the tax imposed by § 44-49-9. The penalty will be
19 collected as part of the tax.

20 (b) Criminal penalty; sale without affixed stamps. In addition to the tax penalty imposed,
21 a dealer distributing or possessing ~~marijuana-or~~ controlled substances without affixing the
22 appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be
23 sentenced to imprisonment for not more than five (5) years, or to payment of a fine of not more
24 than ten thousand dollars (\$10,000), or both.

25 (c) Statute of limitations. An indictment may be found and filed, or a complaint filed,
26 upon any criminal offense specified in this section, in the proper court within six (6) years after
27 the commission of this offense.

28 **44-49-11. Stamp price.**

29 Official stamps, labels, or other indicia to be affixed to all ~~marijuana-or~~ controlled
30 substances shall be purchased from the tax administrator. The purchaser shall pay one hundred
31 percent (100%) of face value for each stamp, label, or other indicia at the time of the purchase.

32 **44-49-12. Payment due.**

33 (a) Stamps affixed. When a dealer purchases, acquires, transports, or imports into this
34 state ~~marijuana-or~~ controlled substances on which a tax is imposed by § 44-49-9, and if the

indicia evidencing the payment of the tax have not already been affixed, the dealer shall have them permanently affixed on the ~~marijuana or~~ controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

(b) Payable on possession. Taxes imposed upon ~~marijuana or~~ controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a dealer.

SECTION 10. Title 44 of the General Laws entitled "TAXATION" is hereby amended by adding thereto the following chapter:

44-49.1-1. Short title.

This chapter shall be known as the "Cannabis Taxation Act."

44-49.1-2. Definitions.

As used in this chapter, unless the context clearly indicates otherwise, the following words and phrases shall have the following meanings:

(1) "Administrator" means the tax administrator.

(2) "Department of business regulation" means the office of cannabis regulation with the department of business regulation or its successor agency.

(3) "Cannabis" means all parts of the plant of the genus marijuana, also known as marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency including "marijuana", and "industrial hemp" or "industrial hemp products" which satisfy the requirements of this chapter.

(4) "Cannabidiol" or "CBD" means cannabidiol (CBD) derived from a hemp plant as defined in § 2-26-3(7), not including products derived from exempt cannabis plant material as defined in C.F.R. § 1308.35.

(5) "Licensee" means any licensed cultivator, licensed processor, and licensed retailer, as defined below.

(6) "Licensed cultivator" means a person who has been licensed by the department of business regulation to cultivate marijuana pursuant to chapters 28.6 or 28.11 of title 21.

(7) "Licensed processor" means a person who has been licensed by the department of business regulation to process marijuana pursuant to chapters 28.6 or 28.11 of title 21.

(8) "Licensed retailer" means a compassion center who has been licensed by the department of business regulation pursuant to chapter 28.6 of title 21, or a marijuana retailer who has been licensed by the department of business regulation pursuant to chapter 28.11 of title

- 1 21.
- 2 (9) “Licensed marijuana cultivator” means a person who has been licensed to cultivate
- 3 marijuana by the department of business regulation pursuant to chapter 28.11 of title 21.
- 4 (10) “Licensed marijuana processor” means a person who has been licensed to process
- 5 marijuana by the by the department of business regulation pursuant to chapter 28.11 of title 21.
- 6 (11) “Licensed marijuana retailer” means a person who has been licensed to sell
- 7 marijuana by the department of business regulation pursuant to chapter 28.11 of title 21.
- 8 (12) “Marijuana” has the meaning given that term in § 21-28-1.02(30).
- 9 (13) “Marijuana flower” means the flower or bud from a marijuana plant.
- 10 (14) “Marijuana products” means any form of marijuana, including concentrated
- 11 marijuana and products that are comprised of marijuana and other ingredients that are intended
- 12 for use or consumption, such as, but not limited to, extracts, infusions, edible products, ointments,
- 13 and tinctures, as further defined in regulations promulgated by the department of business
- 14 regulation.
- 15 (15) “Marijuana trim” means any part of the marijuana plant other than marijuana flower.
- 16 (16) “Hemp products” or “industrial hemp products” means all products made from the
- 17 plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-
- 18 derived consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal,
- 19 seed oil, and certified for cultivation., which satisfy the requirements of chapter 26 of title 2.
- 20 (17) “Hemp-derived consumable CBD product” means any product meant for ingestion,
- 21 including but not limited to concentrates, extracts, and cannabis-infused products, which contains
- 22 cannabidiol (CBD) derived from a hemp plant as defined in § 2-26-3(7), not including products
- 23 derived from exempt cannabis plant material as defined in C.F.R. § 1308.35.
- 24 (18) “Licensed CBD distributor” means a person licensed to distribute hemp-derived
- 25 consumable CBD products pursuant to chapter 26 of title 2.
- 26 (19) “Licensed CBD retailer” means a person licensed to sell hemp-derived consumable
- 27 CBD products pursuant to chapter 26 of title 2.
- 28 (20) “Person” means any individual, including an employee or agent, firm, fiduciary,
- 29 partnership, corporation, trust, or association, however formed.
- 30 (21) “Transfer” means the change of possession of marijuana between the operations of a
- 31 licensed cultivator and either a licensed processor or licensed retailer, even if any of those
- 32 licenses are held by the same person. Transfers do not have to include compensation and do not
- 33 have to involve the physical relocation of marijuana to be taxable under this chapter.

34 **44-49.1-3. Cultivator, retailer licenses required.**

1 Each person engaging in the business of cultivating marijuana, selling marijuana
2 products, or selling hemp-derived consumable CBD products in this state, shall secure a license
3 from the department of business regulation before engaging in that business, or continuing to
4 engage in it. A separate application and license is required for each place of business operated by
5 the retailer. A licensee shall notify the department of business regulation and tax administrator
6 simultaneously within thirty (30) days in the event that it changes its principal place of business.
7 A separate license is required for each type of business if the applicant is engaged in more than
8 one of the activities required to be licensed by this section.

9 **44-49.1-4. Marijuana cultivator excise tax.**

10 (a) An excise tax is imposed on all marijuana cultivated by licensed cultivators pursuant
11 to chapter 28.6 of title 21 and chapter 28.11 of title 21. The rate of taxation is as follows:

12 (1) Three dollars (\$3.00) for every dried ounce of marijuana trim and a proportionate tax
13 at the like rate on all fractional parts of an ounce thereof, and

14 (2) Ten dollars (\$10.00) for every dried ounce of marijuana flower and a proportionate
15 tax at the like rate on all fractional parts of an ounce thereof.

16 (b) Marijuana trim and marijuana flower that has not reach a dried state will be taxed
17 using equivalent amounts as established by regulations promulgated by the department of taxation
18 and the department of business regulation.

19 (c) The excise tax is assessed and levied upon the sale or transfer of marijuana by a
20 licensed cultivator to any other licensee.

21 (d) This section is effective as of October 1, 2019.

22 **44-49.1-5. Adult use marijuana retail excise tax.**

23 (a) An excise tax is imposed on all marijuana sold by licensed marijuana retailers
24 pursuant to chapter 28.11 of title 21 at a rate of ten percent (10%) of the gross sales of marijuana
25 products. This excise tax is in addition to taxes imposed by chapter 18 of title 44.

26 (b) Any marijuana retailer shall collect the taxes imposed by this section from any
27 purchaser to whom the sale of marijuana products is made and shall remit to the state the tax
28 levied by this section.

29 (c) The marijuana retailer shall add the tax imposed by this chapter to the sale price or
30 charge, and when added the tax constitutes a part of the price or charge, is a debt from the
31 consumer or user to the retailer, and is recoverable at law in the same manner as other debts;
32 provided, that the amount of tax that the retailer collects from the consumer or user is as follows:

33 Amount of Fair Market Value, as Tax

34 <u>\$0.01 to \$.09 inclusive</u>	<u>No Tax</u>
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1	<u>.10 to .19 inclusive</u>	<u>.01</u>
2	<u>.20 to .29 inclusive</u>	<u>.02</u>
3	<u>.30 to .39 inclusive</u>	<u>.03</u>
4	<u>.40 to .49 inclusive</u>	<u>.04</u>
5	<u>.50 to .59 inclusive</u>	<u>.05</u>
6	<u>.60 to .69 inclusive</u>	<u>.06</u>
7	<u>.70 to .79 inclusive</u>	<u>.07</u>
8	<u>.80 to .89 inclusive</u>	<u>.08</u>
9	<u>.90 to .99 inclusive</u>	<u>.09</u>
10	<u>.100 to .109 inclusive</u>	<u>.10</u>

11 and where the amount of the sale is more than one dollar and nine cents (\$1.09) the
12 amount of the tax is computed at the rate of ten percent (10%)

13 (d) It shall be deemed a violation of this section for a marijuana retailer to fail to
14 separately state the tax imposed in this section and instead include it in the sale price of marijuana
15 products. The tax levied in this article shall be imposed is in addition to all other taxes imposed
16 by the state, or any municipal corporation or political subdivision of any of the foregoing.

17 **44-49.1-6. Hemp-derived consumable CBD products tax.**

18 (a) A tax is imposed on all hemp-derived consumable CBD products sold, or held for
19 sale in the state by any person, the payment of the tax to be accomplished according to a
20 mechanism established by the tax administrator. The tax imposed by this section shall be as
21 follows at the rate of eighty percent (80%) of the wholesale cost of hemp-derived consumable
22 CBD products.

23 (b) Any licensed CBD retailer who purchases hemp-derived consumable CBD products
24 from a distributor who does not possess a valid Rhode Island distributor's license shall, with
25 respect to the storage or use of which a tax is imposed by this section shall, within five (5) days
26 after coming into possession of the hemp-derived consumable CBD products in this state, file a
27 return with the tax administrator in a form prescribed by the tax administrator. The return shall be
28 accompanied by a payment of the amount of the tax shown on the form to be due. Records
29 required under this section shall be preserved on the premises described in the relevant license in
30 such a manner as to ensure permanency and accessibility for inspection at reasonable hours by
31 authorized personnel of the administrator.

32 (c) The proceeds collected are paid into the general fund.

33 (d) This section shall be effective commencing on the first month following thirty (30)
34 days after promulgation of the final regulations issued by the department of business regulation

1 that establish the CBD distributor and CBD retailer licenses.

2 **44-49.1-7. Returns.**

3 (a) Every licensed cultivator shall, on or before the twentieth (20th) day of the month
4 following the sale or transfer of marijuana, make a return to the tax administrator for taxes due
5 under § 44-49.1-4. Licensed cultivators shall file their returns on a form as prescribed by the tax
6 administrator.

7 (b) Every licensed marijuana retailer shall, on or before the twentieth (20th) day of the
8 month following the sale of marijuana products, make a return to the tax administrator for taxes
9 due under § 44-49.1-5. Licensed retailers shall file their returns on a form as prescribed by the tax
10 administrator.

11 (c) If for any reason an marijuana retailer fails to collect the tax imposed § 44-49.1-5
12 from the purchaser, the purchaser shall file a return and pay the tax directly to the state, on or
13 before the date required by subsection (b) of this section.

14 (d) Every licensed CBD distributor shall, on or before the tenth (10th) day of the month
15 following the sale of hemp-derived consumable CBD products, make a return to the tax
16 administrator for taxes due under § 44-49.1-6. Licensed CBD retailers shall file their returns on a
17 form as prescribed by the tax administrator.

18 (e) There is created with the general fund a restricted receipt account to be known as the
19 “marijuana cash use surcharge” account. Surcharge collected pursuant to subsection (f) shall be
20 deposited into this account and be used to finance costs associated with processing and handling
21 cash payments for taxes paid under this chapter. The restricted receipt account will be housed
22 within the budget of the department of revenue. All amounts deposited into the marijuana cash
23 use surcharge account shall be exempt from the indirect cost recovery provisions of § 35-4-27.

24 (f) Any licensee who makes a payment in cash for taxes due under this chapter, or taxes
25 due under chapters 18 or 67 of this title, shall pay a ten percent (10%) penalty on the amount of
26 that payment to the division of taxation. Payment of a tax return with less than one thousand
27 dollars (\$1,000) in taxes due per month, on average, shall not be subject to the penalty.

28 (g) Notwithstanding any other provision of law, the name of the licensee and the amount
29 of tax paid under this chapter shall be available to the public for inspection by any person.

30 **44-49.1-8. Sale of contraband products prohibited.**

31 (a) No person shall sell, offer for sale, display for sale, or possess with intent to sell any
32 contraband marijuana, marijuana products, or hemp-derived consumable CBD products.

33 (b) Any marijuana, marijuana products, or hemp-derived consumable CBD products
34 exchanged in which one of the two entities does not have a license or exchanged between a non-

1 licensed entity and a consumer shall be considered contraband.

2 (c) Any marijuana, marijuana products, or hemp-derived consumable CBD products for
3 which applicable taxes have not been paid as specified in title 44 shall be considered contraband.

4 (d) Failure to comply with the provisions of this chapter may result in the imposition of
5 the applicable civil penalties in title 44; however, the possession of marijuana, marijuana
6 products, or hemp-derived consumable CBD products as described in this chapter do not
7 constitute contraband for purposes of imposing a criminal penalty under chapter 28 of title 21.

8 **44-49.1-9. Recordkeeping.**

9 (a) Each licensee shall maintain copies of invoices or equivalent documentation for, or
10 itemized for, each of its facilities for each involving the sale or transfer of marijuana, marijuana
11 products, or hemp-derived consumable CBD products. All records and invoices required under
12 this section must be safely preserved for three (3) years in a manner to insure permanency and
13 accessibility for inspection by the administrator or his or her authorized agents.

14 (b) Records required under this section shall be preserved on the premises described in
15 the relevant license in such a manner as to ensure permanency and accessibility for inspection at
16 reasonable hours by authorized personnel of the administrator. With the tax administrator's
17 permission, persons with multiple places of business may retain centralized records but shall
18 transmit duplicates of the invoices or the equivalent documentation to each place of business
19 within twenty-four (24) hours upon the request of the administrator or his or her designee.

20 (c) Any person who fails to submit the reports required in this chapter or by the tax
21 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
22 refuses to permit the tax administrator or his or her authorized agent to examine any books,
23 records, papers, or stocks of marijuana, marijuana products, or hemp-derived consumable CBD
24 products as provided in this chapter, or who refuses to supply the tax administrator with any other
25 information which the tax administrator requests for the reasonable and proper enforcement of the
26 provisions of this chapter, shall be guilty of a misdemeanor punishable by imprisonment up to
27 one (1) year, or a fine of not more than five thousand dollars (\$5,000), or both, for the first
28 offense, and for each subsequent offense, shall be fined not more than ten thousand dollars
29 (\$10,000), or be imprisoned not more than five (5) years, or both.

30 **44-49.1-10. Inspections and investigations.**

31 (a) The tax administrator or his or her duly authorized agent shall have authority to enter
32 and inspect, without a warrant during normal business hours, and with a warrant during
33 nonbusiness hours, the facilities and records of any licensee.

34 (b) In any case where the administrator or his or her duly authorized agent, or any police

1 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is
2 transporting marijuana, marijuana products, or hemp-derived consumable CBD products in
3 violation of this chapter, the administrator, such agent, or such police officer, is authorized to stop
4 such vehicle and to inspect the same for contraband marijuana, marijuana products, or hemp-
5 derived consumable CBD products.

6 (c) For the purpose of determining the correctness of any return, determining the amount
7 of tax that should have been paid, determining whether or not the licensee should have made a
8 return or paid taxes, or collecting any taxes under this chapter, the tax administrator may
9 examine, or cause to be examined, any books, papers, records, or memoranda, that may be
10 relevant to making those determinations, whether the books, papers, records, or memoranda, are
11 the property of or in the possession of the dealer of another person. The tax administrator may
12 require the attendance of any person having knowledge or information that may be relevant,
13 compel the production of books, papers, records, or memoranda by persons required to attend,
14 take testimony on matters material to the determination, and administer oaths or affirmations.
15 Upon demand of the tax administrator or any examiner or investigator, the court administrator of
16 any court shall issue a subpoena for the attendance of a witness or the production of books,
17 papers, records, and memoranda. The tax administrator may also issue subpoenas. Disobedience
18 of subpoenas issued under this chapter is punishable by the superior court of the district in which
19 the subpoena is issued, or, if the subpoena is issued by the tax administrator, by the superior court
20 or the county in which the party served with the subpoena is located, in the same manner as
21 contempt of superior court.

22 **44-49.1-11. Suspension or revocation of license.**

23 The tax administrator may request the department of business regulation to, and upon
24 such request the department shall be authorized to, suspend or revoke any license under this
25 chapter for failure of the licensee to comply with any provision of this chapter or with any
26 provision of any other law or ordinance relative to the sale or transfer of marijuana, marijuana
27 products, or hemp-derived consumable CBD products.

28 **44-49.1-12. Seizure and destruction.**

29 Any marijuana, marijuana products, or hemp-derived consumable CBD products found in
30 violation of this chapter shall be declared to be contraband goods and may be seized by the tax
31 administrator, his or her agents, or employees, or by any deputy sheriff, or police officer when
32 directed by the tax administrator to do so, without a warrant. For the purposes of seizing and
33 destroying contraband marijuana, employees of the department of business regulation may act as
34 agents of the tax administrator. The seizure and/or destruction of any marijuana, marijuana

1 products, or hemp-derived consumable CBD products under the provisions of this section does
2 not relieve any person from a fine or other penalty for violation of this chapter. The tax
3 administrator may promulgate rules and regulations for the destruction of contraband goods
4 pursuant to this section. These rules and regulations may be promulgated jointly with the
5 department of business regulation.

6 **44-49.1-13. Penalties.**

7 (a) Failure to file tax returns or to pay tax. In the case of failure:

8 (1) To file. The tax return on or before the prescribed date, unless it is shown that the
9 failure is due to reasonable cause and not due to willful neglect, an addition to tax shall be made
10 equal to ten percent (10%) of the tax required to be reported. For this purpose, the amount of tax
11 required to be reported shall be reduced by an amount of the tax paid on or before the date
12 prescribed for payment and by the amount of any credit against the tax which may properly be
13 claimed upon the return;

14 (2) To pay. The amount shown as tax on the return on or before the prescribed date for
15 payment of the tax unless it is shown that the failure is due to reasonable cause and not due to
16 willful neglect, there shall be added to the amount shown as tax on the return ten percent (10%)
17 of the amount of the tax.

18 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of
19 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to
20 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

21 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of
22 the deficiency shall be added to the tax. This amount shall be in lieu of any other additional
23 amounts imposed by subsections (a) and (b) of this section.

24 (d) Failure to collect and pay over tax. Any person required to collect, truthfully account
25 for, and pay over any tax under this title who willfully fails to collect the tax or truthfully account
26 for and pay over the tax or willfully attempts in any manner to evade or defeat the tax or the
27 payment thereof, shall, in addition to other penalties provided by law, be liable to a civil penalty
28 equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over.

29 (e) Additions and penalties treated as tax. The additions to the tax and civil penalties
30 provided by this section shall be paid upon notice and demand and shall be assessed, collected,
31 and paid in the same manner as taxes.

32 (f) Bad checks. If any check or money order in payment of any amount receivable under
33 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as
34 a penalty by the person who tendered the check, upon notice and demand by the tax administrator

1 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the
2 amount of the check, except that if the amount of the check is less than five hundred dollars
3 (\$500), the penalty under this section shall be five dollars (\$5.00). This subsection shall not apply
4 if the person tendered the check in good faith and with reasonable cause to believe that it would
5 be duly paid.

6 (g) Misuse of Trust Funds. Any retailer and any officer, agent, servant, or employee of
7 any corporate retailer responsible for either the collection or payment of the tax, who appropriates
8 or converts the tax collected to his or her own use or to any use other than the payment of the tax
9 to the extent that the money required to be collected is not available for payment on the due date
10 as prescribed in this chapter, shall upon conviction for each offense be fined not more than ten
11 thousand dollars (\$10,000), or be imprisoned for one year, or by both fine and imprisonment,
12 both fine and imprisonment to be in addition to any other penalty provided by this chapter.

13 (h) Whoever fails to pay any tax imposed by § 44-49.1-4 or § 44-49.1-6 at the time
14 prescribed by law or regulations, shall, in addition to any other penalty provided in this chapter,
15 be liable for a penalty of one thousand dollars (\$1,000) or not more than five (5) times the tax due
16 but unpaid, whichever is greater.

17 (i) When determining the amount of a penalty sought or imposed under this section,
18 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
19 considered.

20 **44-49.1-14. Claim for refund.**

21 Whenever the tax administrator determines that any person is entitled to a refund of any
22 moneys paid by a person under the provisions of this chapter, or whenever a court of competent
23 jurisdiction orders a refund of any moneys paid, the general treasurer shall, upon certification by
24 the tax administrator and with the approval of the director of administration, pay the refund from
25 any moneys in the treasury not appropriated without any further act or resolution making
26 appropriation for the refund. No refund is allowed unless a claim is filed with the tax
27 administrator within three (3) years from the fifteenth (15th) day after the close of the month for
28 which the overpayment was made.

29 **44-49.1-15. Hearings and appeals.**

30 (a) Any person aggrieved by any action under this chapter of the tax administrator or his
31 or her authorized agent for which a hearing is not elsewhere provided may apply to the tax
32 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons
33 why the hearing should be granted and the manner of relief sought. The tax administrator shall
34 notify the applicant of the time and place fixed for the hearing. After the hearing, the tax

1 administrator may make the order in the premises as may appear to the tax administrator just and
2 lawful and shall furnish a copy of the order to the applicant. The tax administrator may, by notice
3 in writing, at any time, order a hearing on his or her own initiative and require the taxpayer or any
4 other individual whom the tax administrator believes to be in possession of information
5 concerning any manufacture, importation, or sale of cigarettes to appear before the tax
6 administrator or his or her authorized agent with any specific books of account, papers, or other
7 documents, for examination relative to the hearing.

8 (b) Appeals from administrative orders or decisions made pursuant to any provisions of
9 this chapter shall be to the sixth division district court pursuant to chapter 8 of title 8. The
10 taxpayer's right to appeal under this section shall be expressly made conditional upon prepayment
11 of all taxes, interest, and penalties, unless the taxpayer moves for and is granted an exemption
12 from the prepayment requirement pursuant to § 8-8-26.

13 **44-49.1-16. Disclosure of information to the office of cannabis regulation.**

14 Notwithstanding any other provision of law, the tax administrator may make available to
15 an officer or employee of the office of cannabis regulation of the Rhode Island department of
16 business regulation, any information that the administrator may consider proper contained in tax
17 reports or returns or any audit or the report of any investigation made with respect to them, filed
18 pursuant to the tax laws of this state, to whom disclosure is necessary for the purposes ensuring
19 compliance with state law and regulations.

20 **44-49.1-17. Transfer of revenue to the marijuana trust fund.**

21 (a) The division of taxation shall transfer all collections from marijuana cultivator excise
22 tax and the adult use marijuana retail excise tax, including penalties or forfeitures, interest, costs
23 of suit and fines, to the marijuana trust fund established by § 21-28.11-18.

24 (b) The division of taxation shall transfer all collections remitted by licensed retailers
25 pursuant to § 44-18-18 due to the net revenue of marijuana products. The tax administrator may
26 base this transfer on an estimate of the net revenue of marijuana products derived from any other
27 tax data collected under title 44 or data shared by the department of business regulation.

28 **44-49.1-18. Rules and regulations.**

29 The tax administrator is authorized to promulgate rules and regulations to carry out the
30 provisions, policies, and purposes of this chapter.

31 **44-49.1-19. Severability.**

32 If any provision of this chapter or the application of this chapter to any person or
33 circumstances is held invalid, that invalidity shall not affect other provisions or applications of
34 the chapter that can be given effect without the invalid provision or application, and to this end

1 [the provisions of this chapter are declared to be severable.](#)

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

3 **ARTICLE 21**

4 RELATING TO EFFECTIVE DATE

5 SECTION 1. This article shall take effect as of July 1, 2019, except as otherwise
6 provided herein.

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

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