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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL
YEAR ENDING JUNE 30, 2023

Introduced By: Representative Marvin L. Abney

Date Introduced: January 20, 2022

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 2023
- 2 ARTICLE 2 RELATING TO STATE FUNDS
- 3 ARTICLE 3 RELATING TO GOVERNMENT REFORM AND REORGANIZATION
- 4 ARTICLE 4 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
- 5 ARTICLE 5 RELATING TO CAPITAL DEVELOPMENT PROGRAM
- 6 ARTICLE 6 RELATING TO TAXATION
- 7 ARTICLE 7 RELATING TO ENERGY AND THE ENVIRONMENT
- 8 ARTICLE 8 RELATING TO SMALL BUSINESS
- 9 ARTICLE 9 RELATING TO ECONOMIC DEVELOPMENT
- 10 ARTICLE 10 RELATING TO EDUCATION
- 11 ARTICLE 11 RELATING TO ADULT USE MARIJUANA
- 12 ARTICLE 12 RELATING TO MEDICAL ASSISTANCE
- 13 ARTICLE 13 RELATING TO HUMAN SERVICES
- 14 ARTICLE 14 RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND
- 15 OPERATING SPACE
- 16 ARTICLE 15 RELATING TO EFFECTIVE DATE

1 **ARTICLE 1**

2 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2023

3 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in
4 this act, the following general revenue amounts are hereby appropriated out of any money in the
5 treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2023.
6 The amounts identified for federal funds and restricted receipts shall be made available pursuant to
7 section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes
8 and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw
9 his or her orders upon the general treasurer for the payment of such sums or such portions thereof
10 as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

11 **Administration**

12 *Central Management*

13 General Revenues 4,896,389

14 Provided that \$2,000,000 shall be allocated to support a state workforce compensation and
15 classification study, of which all unexpended or unencumbered balances, at the end of the fiscal
16 year, shall be reappropriated to the ensuing fiscal year and made immediately available for the same
17 purposes.

18 Federal Funds 108,998,500

19 Federal Funds- State Fiscal Recovery Fund

20 Nonprofit Assistance 10,000,000

21 Ongoing COVID-19 Response 75,000,000

22 ERP Implementation Support 2,200,000

23 Total – Central Management 201,094,889

24 *Legal Services*

25 General Revenues 2,374,193

26 *Accounts and Control*

27 General Revenues 5,211,103

28 Federal Funds- Capital Projects Fund

29 CPF Administration 2,807,250

30 Restricted Receipts – OPEB Board Administration 137,905

31 Restricted Receipts – Grants Management Administration 5,579,639

32 Total – Accounts and Control 13,735,897

33 *Office of Management and Budget*

34 General Revenues 8,354,324

1	Federal Funds	101,250
2	Restricted Receipts	300,000
3	Other Funds	1,228,111
4	Total – Office of Management and Budget	9,983,685
5	<i>Purchasing</i>	
6	General Revenues	3,830,668
7	Restricted Receipts	381,474
8	Other Funds	550,989
9	Total – Purchasing	4,763,131
10	<i>Human Resources</i>	
11	General Revenues	755,922
12	<i>Personnel Appeal Board</i>	
13	General Revenues	143,059
14	<i>Information Technology</i>	
15	General Revenues	721,340
16	Restricted Receipts	40,449,160
17	Provided that of the total available in the Information Technology Investment Fund as of	
18	July 1, 2022, \$22.4 million shall be made available for the development and implementation of an	
19	electronic medical records system for the state hospitals and \$19.4 million shall be made available	
20	for the replacement and modernization of the legacy department of labor and training mainframe	
21	system.	
22	Total – Information Technology	41,170,500
23	<i>Library and Information Services</i>	
24	General Revenues	1,796,514
25	Federal Funds	2,088,205
26	Restricted Receipts	6,990
27	Total – Library and Information Services	3,891,709
28	<i>Planning</i>	
29	General Revenues	840,855
30	Federal Funds	3,050
31	Other Funds	
32	Air Quality Modeling	24,000
33	Federal Highway – PL Systems Planning	3,813,016
34	State Transportation Planning Match	592,033

1	FTA – Metro Planning Grant	1,340,126
2	Total – Planning	6,613,080
3	<i>General</i>	
4	General Revenues	
5	Miscellaneous Grants/Payments	130,000
6	Provided that this amount be allocated to City Year for the Whole School Whole Child	
7	Program, which provides individualized support to at-risk students.	
8	Torts – Courts/Awards	675,000
9	Resource Sharing and State Library Aid	9,562,072
10	Library Construction Aid	1,859,673
11	Federal Funds- State Fiscal Recovery Fund	
12	Aid to the Convention Center	17,700,000
13	Federal Funds- Capital Projects Fund	
14	Municipal and Higher Ed Matching Grant Program	23,360,095
15	RIC Student Services Center	5,000,000
16	Restricted Receipts	700,000
17	Other Funds	
18	Rhode Island Capital Plan Funds	
19	Security Measures State Buildings	500,000
20	Energy Efficiency Improvements	1,250,000
21	Cranston Street Armory	750,000
22	State House Renovations	1,928,000
23	Zambarano Buildings and Campus	6,070,000
24	Replacement of Fueling Tanks	680,000
25	Environmental Compliance	400,000
26	Big River Management Area	427,000
27	Shepard Building Upgrades	1,500,000
28	RI Convention Center Authority	1,700,000
29	Accessibility – Facility Renovations	1,000,000
30	DoIT Enterprise Operations Center	2,300,000
31	BHDDH MH & Community Facilities – Asset Protection	750,000
32	BHDDH DD & Community Homes – Fire Code	325,000
33	BHDDH DD Regional Facilities – Asset Protection	1,700,000
34	BHDDH Substance Abuse Asset Protection	500,000

1	BHDDH Group Homes	1,250,000
2	Statewide Facility Master Plan	1,700,000
3	Cannon Building	1,150,000
4	Old State House	100,000
5	State Office Building	100,000
6	State Office Reorganization & Relocation	250,000
7	William Powers Building	2,700,000
8	Pastore Center Non-Hospital Buildings Asset Protection	6,250,000
9	Washington County Government Center	500,000
10	Chapin Health Laboratory	500,000
11	560 Jefferson Blvd Asset Protection	150,000
12	Arrigan Center	825,000
13	Dunkin Donuts Center	1,100,000
14	Pastore Center Building Demolition	1,000,000
15	Veterans Auditorium	765,000
16	Pastore Center Hospital Buildings Asset Protection	500,000
17	Pastore Campus Infrastructure	11,050,000
18	Community Facilities Asset Protection	450,000
19	Zambarano LTAC Hospital	1,177,542
20	Total – General	112,284,382
21	<i>Debt Service Payments</i>	
22	General Revenues	153,991,095
23	Out of the general revenue appropriations for debt service, the General Treasurer is	
24	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
25	maximum debt service due in accordance with the loan agreement.	
26	Other Funds	
27	Transportation Debt Service	40,548,738
28	Investment Receipts – Bond Funds	100,000
29	Total - Debt Service Payments	194,639,833
30	<i>Energy Resources</i>	
31	Federal Funds	981,791
32	Federal Funds- State Fiscal Recovery Fund	
33	Electric Heat Pump Grant Program	4,900,500
34	Restricted Receipts	20,179,659

1	Total – Energy Resources	26,061,950
2	<i>Rhode Island Health Benefits Exchange</i>	
3	General Revenues	2,820,336
4	Federal Funds	12,392,493
5	Federal Funds- State Fiscal Recovery Fund	
6	Auto-Enrollment Program	339,079
7	Eligibility Extension Compliance	125,618
8	Restricted Receipts	15,010,294
9	Total – Rhode Island Health Benefits Exchange	30,687,820
10	<i>Office of Diversity, Equity & Opportunity</i>	
11	General Revenues	1,508,606
12	Other Funds	119,807
13	Total – Office of Diversity, Equity & Opportunity	1,628,413
14	<i>Capital Asset Management and Maintenance</i>	
15	General Revenues	9,810,315
16	<i>Statewide Personnel and Operations</i>	
17	General Revenues	15,350,000
18	Grand Total – Administration	674,988,778
19	Business Regulation	
20	<i>Central Management</i>	
21	General Revenues	3,801,190
22	Federal Funds	(37)
23	Federal Funds- State Fiscal Recovery Fund	
24	Blockchain Digital Identity	1,500,000
25	Total - Central Management	5,301,153
26	<i>Banking Regulation</i>	
27	General Revenues	1,942,687
28	Restricted Receipts	63,000
29	Total – Banking Regulation	2,005,687
30	<i>Securities Regulation</i>	
31	General Revenues	863,630
32	Restricted Receipts	15,000
33	Total – Securities Regulation	878,630
34	<i>Insurance Regulation</i>	

1	General Revenues	4,419,316
2	Restricted Receipts	2,041,662
3	Total – Insurance Regulation	6,460,978
4	<i>Office of the Health Insurance Commissioner</i>	
5	General Revenues	1,752,447
6	Federal Funds	372,887
7	Federal Funds- State Fiscal Recovery Fund	
8	Health Spending Accountability and Transparency Program	500,000
9	Restricted Receipts	532,817
10	Total – Office of the Health Insurance Commissioner	3,158,151
11	<i>Board of Accountancy</i>	
12	General Revenues	5,490
13	<i>Commercial Licensing and Gaming and Athletics Licensing</i>	
14	General Revenues	1,167,550
15	Restricted Receipts	914,932
16	Total – Commercial Licensing and Gaming and Athletics Licensing	2,082,482
17	<i>Building, Design and Fire Professionals</i>	
18	General Revenues	8,996,699
19	Federal Funds	818,300
20	Restricted Receipts	2,950,455
21	Other Funds	
22	Quonset Development Corporation	69,727
23	Rhode Island Capital Plan Funds	
24	Fire Academy	150,000
25	Total – Building, Design and Fire Professionals	12,985,181
26	<i>Office of Cannabis Regulation</i>	
27	Restricted Receipts	5,623,590
28	Grand Total – Business Regulation	38,501,342
29	Executive Office of Commerce	
30	<i>Central Management</i>	
31	General Revenues	2,356,175
32	<i>Housing and Community Development</i>	
33	General Revenues	1,642,433
34	Federal Funds	16,849,699

1	Federal Funds- State Fiscal Recovery Fund	
2	Development of Affordable Housing	20,000,000
3	Homelessness Assistance Program	7,000,000
4	Site Acquisition	3,000,000
5	Down Payment Assistance	15,000,000
6	Workforce Housing	12,000,000
7	Affordable Housing Predevelopment Program	2,500,000
8	Home Repair and Community Revitalization	15,000,000
9	Statewide Housing Plan	2,000,000
10	Homelessness Infrastructure	5,000,000
11	Restricted Receipts	7,664,150
12	Total – Housing and Community Development	107,656,282
13	<i>Quasi-Public Appropriations</i>	
14	General Revenues	
15	Rhode Island Commerce Corporation	7,947,778
16	Airport Impact Aid	1,010,036
17	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
18	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the	
19	total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%)	
20	of the first \$1,000,000 shall be distributed based on the share of landings during calendar year 2022	
21	at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport,	
22	T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce Corporation	
23	shall make an impact payment to the towns or cities in which the airport is located based on this	
24	calculation. Each community upon which any part of the above airports is located shall receive at	
25	least \$25,000.	
26	STAC Research Alliance	900,000
27	Innovative Matching Grants/Internships	1,000,000
28	I-195 Redevelopment District Commission	961,000
29	Polaris Manufacturing Grant	350,000
30	East Providence Waterfront Commission	50,000
31	Urban Ventures	140,000
32	Chafee Center at Bryant	476,200
33	Quonset Development Corporation	1,200,000
34	Federal Funds- State Fiscal Recovery Fund	

1	Port of Davisville	6,000,000
2	Other Funds	
3	Rhode Island Capital Plan Funds	
4	I-195 Redevelopment District Commission	805,000
5	Quonset Point Davisville Pier	3,100,000
6	Total – Quasi–Public Appropriations	23,940,014
7	<i>Economic Development Initiatives Fund</i>	
8	General Revenues	
9	Innovation Initiative	1,000,000
10	Rebuild RI Tax Credit Fund	13,500,000
11	Small Business Promotion	300,000
12	Small Business Assistance	650,000
13	Federal Funds	20,000,000
14	Federal Funds- State Fiscal Recovery Fund	
15	Assistance to Impacted Industries	15,500,000
16	Total – Economic Development Initiatives Fund	50,950,000
17	<i>Commerce Programs</i>	
18	General Revenues	
19	Wavemaker Fellowship	2,400,000
20	Air Service Development Fund	2,250,000
21	Federal Funds- State Fiscal Recovery Fund	
22	OHCD Predevelopment and Capacity Building	500,000
23	Small Business Financial and Technical Assistance	13,000,000
24	Minority Business Accelerator	1,500,000
25	Blue Economy Investments	10,000,000
26	Bioscience Investments	5,000,000
27	Small Business Access to Capital	20,000,000
28	South Quay Marine Terminal	12,000,000
29	Main Streets Revitalization	5,000,000
30	Federal Funds- Capital Projects Fund	
31	Broadband	15,383,000
32	Total – Commerce Programs	87,033,000
33	Grand Total – Executive Office of Commerce	271,935,471
34	Labor and Training	

1	<i>Central Management</i>	
2	General Revenues	1,065,747
3	Restricted Receipts	379,215
4	Total – Central Management	1,444,962
5	<i>Workforce Development Services</i>	
6	General Revenues	903,105
7	Federal Funds	19,464,609
8	Other Funds	8,026
9	Total – Workforce Development Services	20,375,740
10	<i>Workforce Regulation and Safety</i>	
11	General Revenues	4,240,619
12	<i>Income Support</i>	
13	General Revenues	3,644,977
14	Federal Funds	57,711,996
15	Federal Funds- State Fiscal Recovery Fund	
16	Unemployment Insurance Trust Fund Contribution	30,000,000
17	Restricted Receipts	2,076,599
18	Other Funds	
19	Temporary Disability Insurance Fund	215,049,696
20	Employment Security Fund	177,075,000
21	Total – Income Support	485,558,268
22	<i>Injured Workers Services</i>	
23	Restricted Receipts	11,403,127
24	<i>Labor Relations Board</i>	
25	General Revenues	452,822
26	<i>Governor’s Workforce Board</i>	
27	General Revenues	6,050,000
28	Provided that \$600,000 of these funds shall be used for enhanced training for direct care	
29	and support services staff to improve resident quality of care and address the changing health care	
30	needs of nursing facility residents due to higher acuity and increased cognitive impairments	
31	pursuant to Rhode Island General Laws, Section 23-17.5-36.	
32	Federal Funds- State Fiscal Recovery Fund	
33	Enhanced Real Jobs	10,000,000
34	Restricted Receipts	18,443,377

1	Total – Governor’s Workforce Board	34,493,377
2	Grand Total – Labor and Training	557,968,915
3	Department of Revenue	
4	<i>Director of Revenue</i>	
5	General Revenues	2,257,475
6	<i>Office of Revenue Analysis</i>	
7	General Revenues	970,638
8	<i>Lottery Division</i>	
9	Other Funds	435,992,155
10	Rhode Island Capital Plan Funds	
11	Lottery Building Enhancements	850,000
12	Total - Lottery Division	436,842,155
13	<i>Municipal Finance</i>	
14	General Revenues	1,738,044
15	Federal Funds	131,957,594
16	Total – Municipal Finance	133,695,638
17	<i>Taxation</i>	
18	General Revenues	34,243,050
19	Federal Funds- State Fiscal Recovery Fund	
20	Tax Modernization	750,000
21	Restricted Receipts	2,106,890
22	Other Funds	
23	Motor Fuel Tax Evasion	155,000
24	Total – Taxation	37,254,940
25	<i>Registry of Motor Vehicles</i>	
26	General Revenues	34,802,460
27	Federal Funds	220,000
28	Restricted Receipts	3,494,403
29	Total – Registry of Motor Vehicles	38,516,863
30	<i>State Aid</i>	
31	General Revenues	
32	Distressed Communities Relief Fund	12,384,458
33	Payment in Lieu of Tax Exempt Properties	46,089,504
34	Motor Vehicle Excise Tax Payments	166,594,596

1	Property Revaluation Program	414,947
2	Restricted Receipts	995,120
3	Total – State Aid	226,478,625
4	<i>Collections</i>	
5	General Revenues	887,668
6	Grand Total – Revenue	876,904,002
7	Legislature	
8	General Revenues	48,542,952
9	Restricted Receipts	1,919,241
10	Grand Total – Legislature	50,462,193
11	Lieutenant Governor	
12	General Revenues	1,353,568
13	Secretary of State	
14	<i>Administration</i>	
15	General Revenues	3,909,383
16	<i>Corporations</i>	
17	General Revenues	2,687,784
18	<i>State Archives</i>	
19	General Revenues	178,651
20	Restricted Receipts	520,197
21	Total – State Archives	698,848
22	<i>Elections and Civics</i>	
23	General Revenues	3,439,462
24	Federal Funds	1,621,565
25	Other Funds	
26	Rhode Island Capital Plan Funds	
27	Election Equipment	170,000
28	Total – Elections and Civics	5,231,027
29	<i>State Library</i>	
30	General Revenues	825,475
31	Provided that \$125,000 be allocated to support the Rhode Island Historical Society	
32	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the	
33	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.	
34	<i>Office of Public Information</i>	

1	General Revenues	686,260
2	Receipted Receipts	25,000
3	Total – Office of Public Information	711,260
4	Grand Total – Secretary of State	14,063,777
5	General Treasurer	
6	<i>Treasury</i>	
7	General Revenues	2,709,016
8	Federal Funds	350,752
9	Other Funds	
10	Temporary Disability Insurance Fund	289,491
11	Tuition Savings Program – Administration	404,401
12	Total –Treasury	3,753,660
13	<i>State Retirement System</i>	
14	Restricted Receipts	
15	Admin Expenses – State Retirement System	12,464,878
16	Retirement – Treasury Investment Operations	2,000,963
17	Defined Contribution – Administration	314,124
18	Total – State Retirement System	14,779,965
19	<i>Unclaimed Property</i>	
20	Restricted Receipts	29,039,718
21	<i>Crime Victim Compensation Program</i>	
22	General Revenues	849,616
23	Federal Funds	422,493
24	Restricted Receipts	555,000
25	Total – Crime Victim Compensation Program	1,827,109
26	Grand Total – General Treasurer	49,400,452
27	Board of Elections	
28	General Revenues	6,126,861
29	Rhode Island Ethics Commission	
30	General Revenues	2,029,145
31	Office of Governor	
32	General Revenues	
33	General Revenues	7,002,280
34	Contingency Fund	150,000

1	Grand Total – Office of Governor	7,152,280
2	Commission for Human Rights	
3	General Revenues	1,632,904
4	Federal Funds	408,411
5	Grand Total – Commission for Human Rights	2,041,315
6	Public Utilities Commission	
7	Federal Funds	582,689
8	Restricted Receipts	12,837,076
9	Grand Total – Public Utilities Commission	13,419,765
10	Office of Health and Human Services	
11	<i>Central Management</i>	
12	General Revenues	42,221,694
13	Federal Funds	132,402,412
14	Federal Funds- State Fiscal Recovery Fund	
15	Pediatric Recovery	7,500,000
16	Early Intervention Recovery	5,500,000
17	Eligibility Extension Compliance	56,722
18	Certified Community Behavioral Health Clinics	28,100,000
19	9-8-8 Hotline	1,875,000
20	Restricted Receipts	14,401,156
21	Total – Central Management	232,056,984
22	<i>Medical Assistance</i>	
23	General Revenues	
24	Managed Care	382,344,923
25	Hospitals	98,302,406
26	Of the general revenue funding, \$2.0 million shall be provided for Graduate Medical	
27	Education programs of which \$1.0 million is for hospitals designated as a Level I Trauma Center	
28	and \$1.0 million is for hospitals providing Neonatal Intensive Care Unit level of care.	
29	Nursing Facilities	140,848,657
30	Home and Community Based Services	44,861,679
31	Other Services	133,013,828
32	Pharmacy	87,032,570
33	Rhody Health	234,553,510
34	Federal Funds	

1	Managed Care	488,134,078
2	Hospitals	121,357,824
3	Nursing Facilities	166,614,030
4	Home and Community Based Services	53,068,203
5	Other Services	726,255,819
6	Pharmacy	(432,570)
7	Rhody Health	275,637,516
8	Other Programs	62,090,457
9	Restricted Receipts	39,576,847
10	Total – Medical Assistance	3,053,259,777
11	Grand Total – Office of Health and Human Services	3,285,316,761
12	Children, Youth, and Families	
13	<i>Central Management</i>	
14	General Revenues	14,085,829
15	The director of the department of children, youth and families shall provide to the speaker	
16	of the house and president of the senate at least every sixty (60) days beginning September 1, 2021,	
17	a report on its progress implementing the accreditation plan filed in accordance with Rhode Island	
18	General Law, Section 42-72-5.3 and any projected changes needed to effectuate that plan. The	
19	report shall, at minimum, provide data regarding recruitment and retention efforts including	
20	attaining and maintaining a diverse workforce, documentation of newly filled and vacated	
21	positions, and progress towards reducing worker caseloads.	
22	Federal Funds	4,302,426
23	Federal Funds- State Fiscal Recovery Fund	
24	Foster Home Lead Abatement & Fire Safety	1,500,000
25	Other Funds	
26	Rhode Island Capital Plan Funds	
27	DCYF Headquarters	250,000
28	DCYF Transitional Housing	500,000
29	Total – Central Management	20,638,255
30	<i>Children's Behavioral Health Services</i>	
31	General Revenues	8,543,535
32	Federal Funds	8,833,069
33	Federal Funds- State Fiscal Recovery Fund	
34	Psychiatric Residential Treatment Facility	6,000,000

1	Total – Children's Behavioral Health Services	23,376,604
2	<i>Juvenile Correctional Services</i>	
3	General Revenues	22,098,188
4	Federal Funds	416,972
5	Restricted Receipts	317,386
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	Training School Asset Protection	250,000
9	Total – Juvenile Correctional Services	23,082,546
10	<i>Child Welfare</i>	
11	General Revenues	155,441,971
12	Federal Funds	71,268,481
13	Restricted Receipts	1,463,053
14	Total – Child Welfare	228,173,505
15	<i>Higher Education Incentive Grants</i>	
16	General Revenues	200,000
17	Grand Total – Children, Youth, and Families	295,470,910
18	Health	
19	<i>Central Management</i>	
20	General Revenues	2,965,099
21	Federal Funds	4,322,005
22	Restricted Receipts	10,780,010
23	Provided that the disbursement of any indirect cost recoveries on federal grants budgeted	
24	in this line item that are derived from grants authorized under The Coronavirus Preparedness and	
25	Response Supplemental Appropriations Act (P.L. 116-123); The Families First Coronavirus	
26	Response Act (P.L. 116-127); The Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-	
27	136); The Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139); the	
28	Consolidated Appropriations Act, 2021 (P.L. 116-260); and the American Rescue Plan Act of 2021	
29	(P.L. 117-2), are hereby subject to the review and prior approval of the Director of Management	
30	and Budget. No obligation or expenditure of these funds shall take place without such approval.	
31	Total – Central Management	18,067,114
32	<i>Community Health and Equity</i>	
33	General Revenues	1,588,431
34	Federal Funds	75,864,234

1	Restricted Receipts	41,511,977
2	Total – Community Health and Equity	118,964,642
3	<i>Environmental Health</i>	
4	General Revenues	5,968,762
5	Federal Funds	8,549,060
6	Restricted Receipts	967,543
7	Total – Environmental Health	15,485,365
8	<i>Health Laboratories and Medical Examiner</i>	
9	General Revenues	10,980,589
10	Federal Funds	2,760,974
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	Health Laboratories & Medical Examiner Equipment	400,000
14	Total – Health Laboratories and Medical Examiner	14,141,563
15	<i>Customer Services</i>	
16	General Revenues	8,198,687
17	Federal Funds	6,369,584
18	Restricted Receipts	2,790,691
19	Total – Customer Services	17,358,962
20	<i>Policy, Information and Communications</i>	
21	General Revenues	958,580
22	Federal Funds	2,876,367
23	Restricted Receipts	1,266,247
24	Total – Policy, Information and Communications	5,101,194
25	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
26	General Revenues	2,092,672
27	Federal Funds	19,551,542
28	Total – Preparedness, Response, Infectious Disease & Emergency Services	21,644,214
29	<i>COVID-19</i>	
30	Federal Funds	162,225,635
31	Grand Total - Health	372,988,689
32	Human Services	
33	<i>Central Management</i>	
34	General Revenues	5,436,208

1 Of this amount, \$400,000 is to support the Domestic Violence Prevention Fund to provide
2 direct services through the Coalition Against Domestic Violence, \$350,000 to support Project
3 Reach activities provided by the RI Alliance of Boys and Girls Clubs, \$267,000 is for outreach and
4 supportive services through Day One, \$450,000 is for food collection and distribution through the
5 Rhode Island Community Food Bank, \$500,000 for services provided to the homeless at Crossroads
6 Rhode Island, \$600,000 for the Community Action Fund, \$250,000 is for the Institute for the Study
7 and Practice of Nonviolence’s Reduction Strategy, \$50,000 is to support services provided to the
8 immigrant and refugee population through Higher Ground International, and \$50,000 is for services
9 provided to refugees through the Refugee Dream Center.

10	Federal Funds	5,425,851
11	Restricted Receipts	300,000
12	Total – Central Management	11,162,059

13 *Child Support Enforcement*

14	General Revenues	3,678,142
15	Federal Funds	8,773,784
16	Restricted Receipts	3,575,448
17	Total – Child Support Enforcement	16,027,374

18 *Individual and Family Support*

19	General Revenues	39,250,009
20	Federal Funds	119,508,574
21	Federal Funds- State Fiscal Recovery Fund	
22	Child Care Support	21,283,000
23	Eligibility Extension Compliance	36,182
24	RI Bridges Mobile Access and Childcare Tracking	2,400,000
25	Restricted Receipts	250,255
26	Other Funds	
27	Rhode Island Capital Plan Funds	
28	Blind Vending Facilities	165,000
29	Total – Individual and Family Support	182,893,020

30 *Office of Veterans Services*

31	General Revenues	30,304,208
32	Of this amount, \$200,000 is to provide support services through Veterans’ organizations.	
33	Federal Funds	13,320,230
34	Federal Funds- State Fiscal Recovery Fund	

1	Emergency Staffing RIVH	95,500
2	Restricted Receipts	759,968
3	Other Funds	
4	Rhode Island Capital Plan Funds	
5	Veterans Home Asset Protection	300,000
6	Veterans Memorial Cemetery Asset Protection	200,000
7	Total – Office of Veterans Services	44,979,906
8	<i>Health Care Eligibility</i>	
9	General Revenues	8,375,256
10	Federal Funds	13,810,817
11	Total – Health Care Eligibility	22,186,073
12	<i>Supplemental Security Income Program</i>	
13	General Revenues	18,527,352
14	<i>Rhode Island Works</i>	
15	General Revenues	8,798,583
16	Federal Funds	103,597,843
17	Total – Rhode Island Works	112,396,426
18	<i>Other Programs</i>	
19	General Revenues	788,244
20	Of this appropriation, \$90,000 shall be used for hardship contingency payments.	
21	Federal Funds	435,166,342
22	Restricted Receipts	8,000
23	Total – Other Programs	435,962,586
24	<i>Office of Healthy Aging</i>	
25	General Revenues	12,781,431
26	Of this amount, \$325,000 is to provide elder services, including respite, through the	
27	Diocese of Providence, \$40,000 is for ombudsman services provided by the Alliance for Long Term	
28	Care in accordance with Rhode Island General Laws, Chapter 42-66.7, \$85,000 is for security for	
29	housing for the elderly in accordance with Rhode Island General Law, Section 42-66.1-3, and	
30	\$1,000,000 is for Senior Services Support and \$580,000 is for elderly nutrition, of which \$530,000	
31	is for Meals on Wheels.	
32	Federal Funds	21,108,383
33	Restricted Receipts	61,000
34	Other Funds	

1	Intermodal Surface Transportation Fund	4,385,711
2	Total – Office of Healthy Aging	38,336,525
3	Grand Total – Human Services	882,471,321

4 **Behavioral Healthcare, Developmental Disabilities, and Hospitals**

5 *Central Management*

6	General Revenues	4,900,015
7	Federal Funds	609,732
8	Total – Central Management	5,509,747

9 *Hospital and Community System Support*

10	General Revenues	2,791,946
11	Federal Funds	796,646
12	Restricted Receipts	261,029
13	Total – Hospital and Community System Support	3,849,621

14 *Services for the Developmentally Disabled*

15	General Revenues	184,095,099
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16 Provided that of this general revenue funding, \$16,060,471 shall be expended on certain
17 community-based department of behavioral healthcare, developmental disabilities and hospitals
18 (BHDDH) developmental disability private provider and self-directed consumer direct care service
19 worker raises and associated payroll cost as authorized by BHDDH. Any increases for direct
20 support staff and residential or other community-based setting must first receive the approval of
21 BHDDH.

22 Provided further that of this general revenue funding, \$4,748,600 shall be expended on a
23 Transformation Fund to be used for integrated day activities and supported employment services
24 for individuals with intellectual and developmental disabilities, of which \$2,000,000 shall be
25 expended specifically on those who self-direct for creation of regional service advisement models
26 and pool of substitute staff. An additional \$458,100 shall be expended on technology acquisition
27 for individuals within the developmental disabilities system. For these two designations of general
28 revenue funding, all unexpended or unencumbered balances at the end of the fiscal year shall be
29 reappropriated to the ensuing fiscal year and made immediately available for the same purpose.

30	Federal Funds	206,170,858
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31 Provided that of this federal funding, \$18,998,405 shall be expended on certain
32 community-based department of behavioral healthcare, developmental disabilities and hospitals
33 (BHDDH) developmental disability private provider and self-directed consumer direct care service
34 worker raises and associated payroll cost as authorized by BHDDH. Any increases for direct

1 support staff and residential or other community-based setting must first receive the approval of
 2 BHDDH.

3 Provided further that of this federal funding, \$3,251,400 shall be expended on a
 4 Transformation Fund to be used for integrated day activities and supported employment services
 5 for individuals with intellectual and developmental disabilities. An additional \$541,900 shall be
 6 expended on technology acquisition for individuals within the developmental disabilities system.
 7 For these two designations of federal funding, all unexpended or unencumbered balances at the end
 8 of the fiscal year shall be reappropriated to the ensuing fiscal year and made immediately available
 9 for the same purpose.

10	Restricted Receipts	1,275,700
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	DD Residential Support	100,000
14	Total – Services for the Developmentally Disabled	391,641,657
15	<i>Behavioral Healthcare Services</i>	
16	General Revenues	2,969,495
17	Federal Funds	45,702,498
18	Federal Funds- State Fiscal Recovery Fund	
19	Crisis Intervention Trainings	550,000
20	Restricted Receipts	2,538,789
21	Total – Behavioral Healthcare Services	51,760,782
22	<i>Hospital and Community Rehabilitative Services</i>	
23	General Revenues	80,422,430
24	Federal Funds	31,993,975
25	Federal Funds- State Fiscal Recovery Fund	
26	Emergency Staffing ESH	194,557
27	Emergency Staffing ESH Zambrano	167,775
28	Restricted Receipts	25,000
29	Other Funds	
30	Rhode Island Capital Plan Funds	
31	Hospital Equipment	300,000
32	Total - Hospital and Community Rehabilitative Services	113,103,737
33	<i>State of RI Psychiatric Hospital</i>	
34	General Revenue	30,504,895

1	Federal Funds- State Fiscal Recovery Fund	
2	Emergency Staffing ESH Psychiatric Hospital	92,168
3	Total- State of RI Psychiatric Hospital	30,597,063
4	Grand Total – Behavioral Healthcare,	
5	Developmental Disabilities, and Hospitals	596,462,607
6	Office of the Child Advocate	
7	General Revenues	1,152,930
8	Federal Funds	7,538
9	Grand Total – Office of the Child Advocate	1,160,468
10	Commission on the Deaf and Hard of Hearing	
11	General Revenues	716,876
12	Restricted Receipts	100,000
13	Grand Total – Comm. On Deaf and Hard-of-Hearing	816,876
14	Governor’s Commission on Disabilities	
15	General Revenues	
16	General Revenues	655,746
17	Livable Home Modification Grant Program	485,743
18	Provided that this will be used for home modification and accessibility enhancements to	
19	construct, retrofit, and/or renovate residences to allow individuals to remain in community settings.	
20	This will be in consultation with the Executive Office of Health and Human Services. All	
21	unexpended or unencumbered balances, at the end of the fiscal year, shall be reappropriated to the	
22	ensuing fiscal year, and made immediately available for the same purpose.	
23	Federal Funds	378,658
24	Restricted Receipts	84,235
25	Grand Total – Governor’s Commission on Disabilities	1,604,382
26	Office of the Mental Health Advocate	
27	General Revenues	738,882
28	Federal Funds- State Fiscal Recovery Fund	
29	Mental Health Court Pilot Program	234,447
30	Grand Total – Office of the Mental Health Advocate	973,329
31	Elementary and Secondary Education	
32	<i>Administration of the Comprehensive Education Strategy</i>	
33	General Revenues	26,082,442

1 Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s
 2 Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$395,000 be allocated to
 3 support child opportunity zones through agreements with the Department of Elementary and
 4 Secondary Education to strengthen education, health and social services for students and their
 5 families as a strategy to accelerate student achievement.

6 Federal Funds 279,812,082

7 Provided that \$684,000 from the Department’s administrative share of Individuals with
 8 Disabilities Education Act funds be allocated to the Paul V. Sherlock Center on Disabilities to
 9 support the Rhode Island Vision Education and Services Program.

10 Federal Funds- State Fiscal Recovery Fund

11 Municipal Learning Centers 5,000,000

12 Restricted Receipts

13 Restricted Receipts 2,271,670

14 HRIC Adult Education Grants 3,500,000

15 Total – Admin. of the Comprehensive Ed. Strategy 316,666,194

16 *Davies Career and Technical School*

17 General Revenues 15,414,314

18 Federal Funds 1,872,920

19 Restricted Receipts 4,525,049

20 Other Funds

21 Rhode Island Capital Plan Funds

22 Davies School HVAC 150,000

23 Davies School Asset Protection 500,000

24 Davies School Healthcare Classroom Renovations 4,500,000

25 Total – Davies Career and Technical School 26,962,283

26 *RI School for the Deaf*

27 General Revenues 7,940,337

28 Federal Funds 420,053

29 Restricted Receipts 605,166

30 Other Funds

31 School for the Deaf Transformation Grants 59,000

32 Rhode Island Capital Plan Funds

33 School for the Deaf Asset Protection 100,000

34 Total – RI School for the Deaf 9,124,556

1	<i>Metropolitan Career and Technical School</i>	
2	General Revenues	9,479,298
3	Federal Funds	2,625,711
4	Other Funds	
5	Rhode Island Capital Plan Funds	
6	MET School Asset Protection	800,000
7	Total – Metropolitan Career and Technical School	12,905,009
8	<i>Education Aid</i>	
9	General Revenues	1,045,656,782
10	Provided that the criteria for the allocation of early childhood funds shall prioritize	
11	prekindergarten seats and classrooms for four-year-olds whose family income is at or below one	
12	hundred eighty-five percent (185%) of federal poverty guidelines and who reside in communities	
13	with higher concentrations of low performing schools.	
14	Provided further that \$48,325,314 shall be allocated to ensure that the total amount of	
15	funds received by any local education agency pursuant to Section 16-7.2-3(a) of the Rhode	
16	Island General Laws during fiscal year 2023 shall in no event be less than the total received	
17	during fiscal year 2022, and any adjustment to the amount of such funds received during fiscal	
18	year 2023 necessary to enable a local education agency to receive at least the total received during	
19	fiscal year 2022 shall be drawn from a designated account established for that purpose.	
20	Federal Funds	167,000,000
21	Restricted Receipts	36,719,278
22	Other Funds	
23	Permanent School Fund	300,000
24	Total – Education Aid	1,249,676,060
25	<i>Central Falls School District</i>	
26	General Revenues	48,702,745
27	Provided that \$1,348,583 shall be allocated to ensure that the total amount of funds	
28	received by any local education agency pursuant to Section 16-7.2-3(a) of the Rhode Island	
29	General Laws during fiscal year 2023 shall in no event be less than the total received during	
30	fiscal year 2022, and any adjustment to the amount of such funds received during fiscal year 2023	
31	necessary to enable a local education agency to receive at least the total received during fiscal year	
32	2022 shall be drawn from a designated account established for that purpose.	
33	Federal Funds	12,845,329
34	Total – Central Falls School District	61,548,074

1	<i>School Construction Aid</i>	
2	General Revenues	
3	School Housing Aid	88,536,507
4	<i>Teachers' Retirement</i>	
5	General Revenues	130,855,471
6	Grand Total – Elementary and Secondary Education	1,896,274,154
7	Public Higher Education	
8	<i>Office of Postsecondary Commissioner</i>	
9	General Revenues	18,167,940
10	Provided that \$355,000 shall be allocated to the Rhode Island College Crusade pursuant to	
11	the Rhode Island General Law, Section 16-70-5 and that \$75,000 shall be allocated to Best Buddies	
12	Rhode Island to support its programs for children with developmental and intellectual disabilities.	
13	It is also provided that \$7,670,543 shall be allocated to the Rhode Island Promise Scholarship	
14	program and \$147,000 shall be used to support Rhode Island's membership in the New England	
15	Board of Higher Education.	
16	Federal Funds	
17	Federal Funds	3,604,422
18	Guaranty Agency Administration	413,917
19	Guaranty Agency Operating Fund - Scholarships & Grants	4,000,000
20	Federal Funds- State Fiscal Recovery Fund	
21	Higher Education Academies	6,504,000
22	Restricted Receipts	4,010,406
23	Other Funds	
24	Tuition Savings Program – Dual Enrollment	2,300,000
25	Tuition Savings Program - Scholarships and Grants	5,595,000
26	Nursing Education Center – Operating	2,891,398
27	Total – Office of Postsecondary Commissioner	47,487,083
28	<i>University of Rhode Island</i>	
29	General Revenues	
30	General Revenues	91,170,252
31	Provided that in order to leverage federal funding and support economic development,	
32	\$700,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be	
33	allocated to Special Olympics Rhode Island to support its mission of providing athletic	
34	opportunities for individuals with intellectual and developmental disabilities.	

1	Debt Service	29,049,378
2	RI State Forensics Laboratory	1,516,015
3	Other Funds	
4	University and College Funds	707,626,466
5	Debt – Dining Services	999,983
6	Debt – Education and General	5,402,219
7	Debt – Health Services	991,794
8	Debt – Housing Loan Funds	12,965,597
9	Debt – Memorial Union	2,053,787
10	Debt – Ryan Center	2,375,073
11	Debt – Parking Authority	1,294,923
12	URI Restricted Debt Service - Energy Conservation	546,271
13	URI Debt Service - Energy Conservation	2,071,504
14	Rhode Island Capital Plan Funds	
15	Asset Protection	11,350,000
16	Mechanical, Electric, and Plumbing Improvements	4,694,533
17	Fire Protection Academic Buildings	1,706,802
18	Total – University of Rhode Island	875,814,597
19	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
20	unencumbered balances as of June 30, 2023 relating to the University of Rhode Island are hereby	
21	reappropriated to fiscal year 2024.	
22	<i>Rhode Island College</i>	
23	General Revenues	
24	General Revenues	61,236,320
25	Debt Service	6,002,565
26	Other Funds	
27	University and College Funds	108,584,424
28	Debt – Education and General	879,474
29	Debt – Housing	371,105
30	Debt – Student Center and Dining	155,000
31	Debt – Student Union	208,800
32	Debt – G.O. Debt Service	1,640,931
33	Debt – Energy Conservation	699,575
34	Rhode Island Capital Plan Funds	

1	Asset Protection	5,518,000
2	Infrastructure Modernization	4,900,000
3	Total – Rhode Island College	190,196,194

4 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
5 unencumbered balances as of June 30, 2023 relating to Rhode Island College are hereby
6 reappropriated to fiscal year 2024.

7 *Community College of Rhode Island*

8	General Revenues	
9	General Revenues	55,121,637
10	Debt Service	1,405,299
11	Federal Funds	1,818,835
12	Restricted Receipts	804,787
13	Other Funds	
14	University and College Funds	121,625,011
15	Rhode Island Capital Plan Funds	
16	Asset Protection	3,246,000
17	Knight Campus Renewal	1,390,000
18	Data, Cabling, and Power Infrastructure	3,300,000
19	Flanagan Campus Renovations	2,000,000
20	CCRI Renovation and Modernization Phase I	5,000,000
21	Total – Community College of RI	195,711,569

22 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
23 unencumbered balances as of June 30, 2023 relating to the Community College of Rhode Island
24 are hereby reappropriated to fiscal year 2024.

25	Grand Total – Public Higher Education	1,309,209,443
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26 **RI State Council on the Arts**

27	General Revenues	
28	Operating Support	969,088
29	Grants	1,165,000
30	Provided that \$375,000 be provided to support the operational costs of WaterFire	
31	Providence art installations.	
32	Federal Funds	1,324,677
33	Restricted Receipts	15,000
34	Other Funds	

1	Art for Public Facilities	585,000
2	Grand Total – RI State Council on the Arts	4,058,765
3	RI Atomic Energy Commission	
4	General Revenues	1,146,763
5	Restricted Receipts	25,036
6	Other Funds	
7	URI Sponsored Research	314,597
8	Rhode Island Capital Plan Funds	
9	Asset Protection	50,000
10	Grand Total – RI Atomic Energy Commission	1,536,396
11	RI Historical Preservation and Heritage Commission	
12	General Revenues	1,572,452
13	Provided that \$30,000 support the operational costs of the Fort Adams Trust’s restoration	
14	activities.	
15	Federal Funds	759,283
16	Restricted Receipts	424,100
17	Other Funds	
18	RIDOT Project Review	156,901
19	Grand Total – RI Historical Preservation and Heritage Comm.	2,912,736
20	Attorney General	
21	<i>Criminal</i>	
22	General Revenues	19,214,381
23	Federal Funds	2,884,123
24	Federal Funds- State Fiscal Recovery Fund	
25	Mental Health Court Pilot Program	204,005
26	Restricted Receipts	603,772
27	Total – Criminal	22,906,281
28	<i>Civil</i>	
29	General Revenues	6,558,199
30	Restricted Receipts	1,431,698
31	Total – Civil	7,989,897
32	<i>Bureau of Criminal Identification</i>	
33	General Revenues	2,015,572
34	Restricted Receipts	1,187,466

1	Total – Bureau of Criminal Identification	3,203,038
2	<i>General</i>	
3	General Revenues	4,513,811
4	Other Funds	
5	Rhode Island Capital Plan Funds	
6	Building Renovations and Repairs	1,890,000
7	Total – General	6,403,811
8	Grand Total – Attorney General	40,503,027
9	Corrections	
10	<i>Central Management</i>	
11	General Revenues	18,618,789
12	Federal Funds- State Fiscal Recovery Fund	
13	Wi-Fi and Tech at the ACI	3,100,000
14	Radio System	2,700,000
15	Total- Central Management	24,418,789
16	<i>Parole Board</i>	
17	General Revenues	1,438,337
18	<i>Custody and Security</i>	
19	General Revenues	132,098,071
20	Federal Funds	1,149,582
21	Total – Custody and Security	133,247,653
22	<i>Institutional Support</i>	
23	General Revenues	23,108,898
24	Other Funds	
25	Rhode Island Capital Plan Funds	
26	Asset Protection	5,125,000
27	Correctional Facilities – Renovations	250,000
28	Total – Institutional Support	28,483,898
29	<i>Institutional Based Rehab/Population Management</i>	
30	General Revenues	11,773,097
31	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender	
32	discharge planning.	
33	Federal Funds	625,118
34	Restricted Receipts	64,600

1	Total – Institutional Based Rehab/Population Mgt.	12,462,815
2	<i>Healthcare Services</i>	
3	General Revenues	27,484,248
4	Restricted Receipts	2,868,614
5	Total – Healthcare Services	30,352,862
6	<i>Community Corrections</i>	
7	General Revenues	19,872,087
8	Federal Funds	369,417
9	Restricted Receipts	11,107
10	Total – Community Corrections	20,252,611
11	Grand Total – Corrections	250,656,965
12	Judiciary	
13	<i>Supreme Court</i>	
14	General Revenues	
15	General Revenues	32,238,688
16	Provided however, that no more than \$1,302,057 in combined total shall be offset to the	
17	Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the	
18	Department of Children, Youth, and Families, and the Department of Public Safety for square-	
19	footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to	
20	the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy	
21	project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be allocated to	
22	Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.	
23	Defense of Indigents	5,075,432
24	Federal Funds	338,402
25	Federal Funds- State Fiscal Recovery Fund	
26	Mental Health Court Pilot Program	107,900
27	Restricted Receipts	4,051,045
28	Other Funds	
29	Rhode Island Capital Plan Funds	
30	Garrahy Courtroom Restoration	750,000
31	Judicial Complexes – HVAC	1,000,000
32	Judicial Complexes Asset Protection	1,500,000
33	Judicial Complexes Fan Coil Unit Replacements	750,000
34	Licht Judicial Complex Restoration	750,000

1	McGrath Judicial Complex	225,000
2	Total - Supreme Court	46,786,467
3	<i>Judicial Tenure and Discipline</i>	
4	General Revenues	169,767
5	<i>Superior Court</i>	
6	General Revenues	26,708,059
7	Federal Funds	236,617
8	Restricted Receipts	665,000
9	Total – Superior Court	27,609,676
10	<i>Family Court</i>	
11	General Revenues	25,131,666
12	Federal Funds	3,374,190
13	Total – Family Court	28,505,856
14	<i>District Court</i>	
15	General Revenues	15,215,383
16	Federal Funds	372,592
17	Federal Funds- State Fiscal Recovery Fund	
18	Mental Health Court Pilot Program	844,582
19	Restricted Receipts	60,000
20	Total - District Court	16,492,557
21	<i>Traffic Tribunal</i>	
22	General Revenues	10,728,771
23	<i>Workers' Compensation Court</i>	
24	Restricted Receipts	10,020,945
25	Grand Total – Judiciary	140,314,039
26	Military Staff	
27	General Revenues	3,145,133
28	Federal Funds	40,305,712
29	Restricted Receipts	
30	RI Military Family Relief Fund	55,000
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	Aviation Readiness Center	1,138,272
34	Asset Protection	1,290,000

1	Quonset Airport Runway Reconstruction	275,000
2	Sun Valley Armory	788,161
3	Grand Total – Military Staff	46,997,278
4	Public Safety	
5	<i>Central Management</i>	
6	General Revenues	1,437,445
7	Provided that notwithstanding the provisions of section 35-3-15 of the general laws, all	
8	unexpended or unencumbered balances as of June 30, 2023, of the general revenue contribution	
9	designated for the Statewide Body-worn Camera Program are hereby reappropriated to fiscal year	
10	2024.	
11	Federal Funds	10,466,521
12	Federal Funds- State Fiscal Recovery Fund	
13	Support for Survivors of Domestic Violence	1,000,000
14	Restricted Receipts	186,121
15	Total – Central Management	13,090,087
16	<i>E-911 Emergency Telephone System</i>	
17	Restricted Receipts	8,413,240
18	<i>Security Services</i>	
19	General Revenues	29,858,676
20	<i>Municipal Police Training Academy</i>	
21	General Revenues	281,456
22	Federal Funds	608,963
23	Total – Municipal Police Training Academy	890,419
24	<i>State Police</i>	
25	General Revenues	81,801,756
26	Federal Funds	6,177,296
27	Restricted Receipts	1,969,734
28	Other Funds	
29	Airport Corporation Assistance	156,943
30	Road Construction Reimbursement	2,687,792
31	Weight and Measurement Reimbursement	407,814
32	Rhode Island Capital Plan Funds	
33	DPS Asset Protection	1,000,000
34	Portsmouth Barracks	1,650,000

1	Southern Barracks	13,000,000
2	Training Academy Upgrades	475,000
3	Statewide Communications System Network	230,929
4	Total–State Police	109,557,264
5	Grand Total – Public Safety	161,809,686
6	Office of Public Defender	
7	General Revenues	14,568,485
8	Federal Funds	65,665
9	Grand Total – Office of Public Defender	14,634,150
10	Emergency Management Agency	
11	General Revenues	4,038,154
12	Federal Funds	29,462,797
13	Restricted Receipts	457,420
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	RI Statewide Communications Network	1,494,400
17	State Emergency Ops Center	524,657
18	RI Statewide Communications Infrastructure	1,134,400
19	Grand Total – Emergency Management Agency	37,111,828
20	Environmental Management	
21	<i>Office of the Director</i>	
22	General Revenues	8,007,872
23	Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.	
24	Federal Funds	65,100
25	Federal Funds- State Fiscal Recovery Fund	
26	Permit and Licensing IT	2,825,000
27	Restricted Receipts	4,126,794
28	Total – Office of the Director	15,024,766
29	<i>Natural Resources</i>	
30	General Revenues	28,507,514
31	Federal Funds	23,181,039
32	Federal Funds- State Fiscal Recovery Fund	
33	Galilee Port Rehabilitation	6,000,000
34	Restricted Receipts	5,699,215

1	Other Funds	
2	DOT Recreational Projects	762,000
3	Blackstone Bike Path Design	1,000,000
4	Rhode Island Capital Plan Funds	
5	Blackstone Park Improvements	244,191
6	Dam Repair	824,238
7	Fort Adams Rehabilitation	300,000
8	Port of Galilee Asset Protection	3,348,461
9	Recreation Facility Asset Protection	500,000
10	Recreational Facilities Improvement	3,400,000
11	Natural Resources Office and Visitor's Center	250,000
12	Fish & Wildlife Maintenance Facilities	100,000
13	Total – Natural Resources	74,116,658
14	<i>Environmental Protection</i>	
15	General Revenues	15,081,859
16	Federal Funds	11,503,721
17	Restricted Receipts	7,819,654
18	Other Funds	
19	Transportation MOU	30,986
20	Total – Environmental Protection	34,436,220
21	Grand Total – Environmental Protection	123,577,644
22	Coastal Resources Management Council	
23	General Revenues	3,177,275
24	Federal Funds	1,980,304
25	Restricted Receipts	250,000
26	Other Funds	
27	Rhode Island Capital Plan Funds	
28	South Coast Restoration Project	1,900,000
29	Pawcatuck Resiliency	50,000
30	Little Narragansett Bay	50,000
31	Grand Total – Coastal Resources Mgmt. Council	7,407,579
32	Transportation	
33	<i>Central Management</i>	
34	Federal Funds	16,577,046

1	Other Funds	
2	Gasoline Tax	9,118,769
3	Total – Central Management	25,695,815
4	<i>Management and Budget</i>	
5	Other Funds	
6	Gasoline Tax	3,761,946
7	<i>Infrastructure Engineering</i>	
8	Federal Funds	411,719,330
9	Federal Funds- State Fiscal Recovery Fund	
10	Pawtucket/Central Falls Bus Hub Passenger Facility	4,000,000
11	Restricted Receipts	5,949,070
12	Other Funds	
13	Gasoline Tax	73,520,497
14	Toll Revenue	33,614,329
15	Land Sale Revenue	9,260,141
16	Rhode Island Capital Plan Funds	
17	Highway Improvement Program	52,700,000
18	Bike Path Asset Protection	400,000
19	RIPTA - Land and Buildings	12,939,628
20	RIPTA - URI Mobility Hub	250,000
21	RIPTA - Providence High-Capacity Transit Corridor Study	225,000
22	Total - Infrastructure Engineering	604,577,995
23	<i>Infrastructure Maintenance</i>	
24	Federal Funds	21,456,198
25	Other Funds	
26	Gasoline Tax	22,844,514
27	Rhode Island Highway Maintenance Account	101,611,663
28	Rhode Island Capital Plan Funds	
29	Maintenance Capital Equipment Replacement	1,500,000
30	Maintenance Facilities Improvements	500,000
31	Welcome Center	200,000
32	Salt Storage Facilities	1,900,000
33	Train Station Asset Protection	350,000
34	Total – Infrastructure Maintenance	150,362,375

1	Grand Total – Transportation	784,398,131
2	Statewide Totals	
3	General Revenues	4,731,312,148
4	Federal Funds	5,311,039,436
5	Restricted Receipts	432,230,976
6	Other Funds	2,350,432,468
7	Statewide Grand Total	12,825,015,028

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

10 SECTION 3. Upon the transfer of any function of a department or agency to another
11 department or agency, the Governor is hereby authorized by means of executive order to transfer
12 or reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected
13 thereby; provided, however, in accordance with Rhode Island General Law, Section 42-6-5, when
14 the duties or administrative functions of government are designated by law to be performed within
15 a particular department or agency, no transfer of duties or functions and no re-allocation, in whole
16 or part, or appropriations and full-time equivalent positions to any other department or agency shall
17 be authorized.

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 cost
29 reimbursed basis. The purpose of these accounts is to ensure that certain activities are managed in
30 a businesslike manner, promote efficient use of services by making agencies pay the full costs
31 associated with providing the services, and allocate the costs of central administrative services
32 across all fund types, so that federal and other non-general fund programs share in the costs of
33 general government support. The controller is authorized to reimburse these accounts for the cost

1 of work or services performed for any other department or agency subject to the following
2 expenditure limitations:

3 Account	Expenditure Limit
4 State Assessed Fringe Benefit Internal Service Fund	37,370,321
5 Administration Central Utilities Internal Service Fund	27,355,205
6 State Central Mail Internal Service Fund	7,303,550
7 State Telecommunications Internal Service Fund	3,513,931
8 State Automotive Fleet Internal Service Fund	12,869,107
9 Surplus Property Internal Service Fund	3,000
10 Health Insurance Internal Service Fund	272,697,174
11 Other Post-Employment Benefits Fund	63,858,483
12 Capitol Police Internal Service Fund	1,380,836
13 Corrections Central Distribution Center Internal Service Fund	7,524,912
14 Correctional Industries Internal Service Fund	8,472,206
15 Secretary of State Record Center Internal Service Fund	1,143,730
16 Human Resources Internal Service Fund	15,991,654
17 DCAMM Facilities Internal Service Fund	47,011,910
18 Information Technology Internal Service Fund	50,789,409

19 SECTION 6. Legislative Intent - The General Assembly may provide a written "statement
20 of legislative intent" signed by the chairperson of the House Finance Committee and by the
21 chairperson of the Senate Finance Committee to show the intended purpose of the appropriations
22 contained in Section 1 of this Article. The statement of legislative intent shall be kept on file in the
23 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 funds
31 required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund
32 and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2023.

1 SECTION 8. Appropriation of Employment Security Funds -- There is hereby appropriated
2 pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed
3 for benefit payments from the Employment Security Fund for the fiscal year ending June 30, 2023.

4 SECTION 9. Appropriation of Lottery Division Funds -- There is hereby appropriated to
5 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of
6 paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2023.

7 SECTION 10. Appropriation of CollegeBoundSaver Funds -- There is hereby appropriated
8 to the Office of the General Treasurer designated funds received under the CollegeBoundSaver
9 program for transfer to the Division of Higher Education Assistance within the Office of the
10 Postsecondary Commissioner to support student financial aid for the fiscal year ending June 30,
11 2023.

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

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

28 FY 2023 FTE POSITION AUTHORIZATION

29	Departments and Agencies	Full-Time Equivalent
30	Administration	660.7
31	Provided that no more than 429.5 of the total authorization would be limited to positions	
32	that support internal service fund programs.	
33	Business Regulation	176.0
34	Executive Office of Commerce	21.0

1	Labor and Training	461.7
2	Revenue	575.5
3	Legislature	298.5
4	Office of the Lieutenant Governor	8.0
5	Office of the Secretary of State	59.0
6	Office of the General Treasurer	90.0
7	Board of Elections	13.0
8	Rhode Island Ethics Commission	12.0
9	Office of the Governor	45.0
10	Commission for Human Rights	14.0
11	Public Utilities Commission	54.0
12	Office of Health and Human Services	200.0
13	Children, Youth, and Families	702.5
14	Health	535.4
15	Human Services	753.0
16	Office of Veterans Services	263.0
17	Office of Healthy Aging	31.0
18	Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,201.4
19	Office of the Child Advocate	10.0
20	Commission on the Deaf and Hard of Hearing	4.0
21	Governor's Commission on Disabilities	4.0
22	Office of the Mental Health Advocate	6.0
23	Elementary and Secondary Education	145.1
24	School for the Deaf	60.0
25	Davies Career and Technical School	123.0
26	Office of Postsecondary Commissioner	37.0
27	Provided that 1.0 of the total authorization would be available only for positions that are	
28	supported by third-party funds, 11.0 would be available only for positions at the State's Higher	
29	Education Centers located in Woonsocket and Westerly, and 10.0 would be available only for	
30	positions at the Nursing Education Center.	
31	University of Rhode Island	2,555.0
32	Provided that 357.8 of the total authorization would be available only for positions that are	
33	supported by third-party funds.	
34	Rhode Island College	949.2

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

5		FY Ending	FY Ending	FY Ending	FY Ending
6	Project	06/30/2024	06/30/2025	06/30/2026	06/30/2027
7	DOA – 560 Jefferson Boulevard	150,000	1,550,000	1,050,000	50,000
8	DOA – Accessibility	1,000,000	1,000,000	1,000,000	1,000,000
9	DOA – Arrigan Center	125,000	75,000	200,000	200,000
10	DOA – Big River Management Area	130,000	250,000	250,000	130,000
11	DOA – Cannon Building	3,725,000	4,125,000	4,025,000	0
12	DOA – Chapin Health Laboratory	425,000	350,000	0	0
13	DOA – Communities Facilities				
14	Asset Protection	50,000	50,000	50,000	50,000
15	DOA – Convention Center				
16	Authority	1,575,000	800,000	2,500,000	2,500,000
17	DOA – Cranston Street Armory	2,250,000	3,250,000	1,600,000	100,000
18	DOA – Zambarano Buildings and Campus	1,515,000	1,040,000	1,300,000	1,275,000
19	DOA – Developmental Disability				
20	Regional Centers	1,700,000	1,000,000	1,000,000	1,200,000
21	DOA – DoIT Enterprise				
22	Operations Center	2,050,000	1,150,000	1,050,000	300,000
23	DOA – Dunkin Donuts Center	1,450,000	2,100,000	2,300,000	2,300,000
24	DOA – Energy Efficiency	1,000,000	1,000,000	1,000,000	1,000,000
25	DOA – Environmental Compliance	200,000	200,000	200,000	200,000
26	DOA – Group Homes Asset Protection	1,250,00	1,250,000	1,250,000	1,250,000
27	DOA – Group Homes - Fire Code	325,000	325,000	325,000	325,000
28	DOA – Mental Health Community				
29	Facilities Asset Protection	800,000	850,000	900,000	950,000
30	DOA – Old State House	100,000	100,000	100,000	100,000
31	DOA – Pastore Campus Infrastructure	33,200,000	38,900,000	32,600,000	5,050,000
32	DOA – Statewide Facility				
33	Master Plan	2,200,000	200,000	200,000	200,000
34	DOA – Pastore Building				

1	Demolition	1,000,000	1,000,000	1,000,000	1,000,000
2	DOA – Pastore Center				
3	Hospital Buildings	500,000	500,000	500,000	500,000
4	DOA – Pastore Center				
5	Non-Hospital Buildings	5,500,000	4,500,000	4,000,000	4,000,000
6	DOA – Pastore Electric Utilities				
7	Asset Protection	0	0	0	100,000
8	DOA – Pastore Power Plant				
9	Rehabilitation	0	0	0	50,000
10	DOA – Pastore Water Utility System				
11	Asset Protection	0	0	0	100,000
12	DOA – Replacement of Fueling Tanks	430,000	330,000	100,000	250,000
13	DOA – Shepard Building	1,500,000	0	0	0
14	DOA – State Building Security Measures	500,000	500,000	500,000	325,000
15	DOA – State House Renovations	3,079,000	16,629,000	15,379,000	15,379,000
16	DOA – State Office Building	100,000	100,000	100,000	100,000
17	DOA – State Office				
18	Reorganization & Relocation	250,000	0	0	0
19	DOA – Substance Abuse Group				
20	Homes Asset Protection	500,000	500,000	500,000	500,000
21	DOA – Veterans Auditorium	100,000	75,000	100,000	100,000
22	DOA – Washington County				
23	Government Center	650,000	800,000	350,000	350,000
24	DOA – William Powers Building	2,750,000	2,400,000	2,200,000	2,000,000
25	DOA – Zambarano Long Term				
26	Acute Care Hospital	6,569,677	26,185,740	26,067,041	23,804,439
27	EOC – I-195 Commission	805,000	0	0	0
28	DCYF – Training School				
29	Asset Protection	250,000	250,000	250,000	250,000
30	DOH – Health Laboratories and Medical				
31	Examiner Equipment	400,000	400,000	400,000	400,000
32	BHDDH – DD Residential Support	100,000	100,000	100,000	100,000
33	BHDDH – Hospital Equipment				
34	Asset Protection	300,000	300,000	300,000	300,000

1	DHS – Blind Vending Facilities	165,000	165,000	165,000	165,000
2	DHS – Veterans Cemetery Asset Protection	750,000	250,000	300,000	250,000
3	DHS – Veterans’ Home Asset Protection	100,000	100,000	100,000	100,000
4	ELSEC – Davies School Asset Protection	500,000	500,000	500,000	500,000
5	ELSEC – MET School Asset Protection	2,000,000	2,000,000	250,000	250,000
6	ELSEC – School for the Deaf				
7	Asset Protection	450,000	550,000	350,000	350,000
8	URI – Mechanical, Electric, and Plumbing				
9	Improvements	13,205,467	0	0	0
10	URI – Asset Protection	11,494,395	12,006,225	12,606,536	13,236,863
11	URI – Fire Protection				
12	Academic Phase II	3,081,532	3,311,666	0	0
13	URI – Stormwater Management	256,338	2,221,831	2,221,831	0
14	RIC – Asset Protection	5,431,657	5,785,000	5,950,000	6,025,000
15	RIC – Infrastructure				
16	Modernization	5,275,000	5,675,000	5,675,000	5,675,000
17	CCRI – Asset Protection	2,653,124	2,719,452	2,719,452	2,719,452
18	CCRI – Data, Cabling, and				
19	Power Infrastructure	3,700,000	4,650,000	0	0
20	CCRI – Flanagan Campus				
21	Renewal	6,000,000	2,500,000	0	0
22	CCRI – Renovation and				
23	Modernization - Phase I	9,000,000	14,000,000	0	0
24	AEC – Asset Protection	50,000	50,000	50,000	50,000
25	Attorney General – Renovation				
26	and Asset Protection	150,000	150,000	150,000	150,000
27	DOC – Asset Protection	4,100,000	4,100,000	4,100,000	4,100,000
28	Judiciary – Garrahy Courthouse				
29	Renovation	2,250,000	2,250,000	0	0
30	Judiciary – Garrahy Courtroom				
31	Restoration	750,000	250,000	0	0
32	Judiciary – Judicial Asset Protection	1,500,000	1,200,000	1,200,000	1,200,000
33	Judiciary – Fan Coil Unit Replacements	500,000	500,000	500,000	0
34	Judiciary – Judicial Complexes HVAC	1,000,000	500,000	500,000	500,000

1	Judiciary – Licht Judicial Complex				
2	Restoration	750,000	750,000	0	0
3	Military Staff – Aviation Readiness	1,599,115	125,800	0	0
4	Military Staff – Asset Protection	975,000	1,166,500	1,363,205	775,000
5	Military Staff – Quonset Air				
6	National Guard Headquarters Facility	3,000,000	0	0	0
7	Military Staff – Quonset Airport				
8	Runway Reconstruction	1,663,612	926,505	0	0
9	EMA – RI Statewide				
10	Communications Network	1,494,400	1,494,400	0	0
11	EMA – RI Statewide				
12	Communications Infrastructure	1,190,000	140,000	40,000	15,000
13	DPS – Asset Protection	2,053,436	1,261,884	600,000	730,000
14	DPS – Southern Barracks	13,000,000	0	0	0
15	DPS – Training Academy	900,000	1,920,000	715,000	150,000
16	DPS – RISSCON Microwave				
17	Replacement	230,929	230,929	230,929	0
18	CRMC – Confined Aquatic				
19	Dredged Material Disposal Cells	5,000,000	0	0	0
20	DEM – Dam Repair	1,805,000	3,065,000	2,000,000	2,000,000
21	DEM – Facilities Asset Protection	500,000	500,000	500,000	500,000
22	DEM – Fish and Wildlife Facilities	100,000	100,000	100,000	100,000
23	DEM – Fort Adams Trust/Rehabilitation	300,000	300,000	300,000	300,000
24	DEM – Marine Infrastructure/				
25	Pier Development	650,000	650,000	0	0
26	DEM – Natural Resources Offices				
27	and Visitor's Center	250,000	2,500,000	2,000,000	0
28	DEM – Newport Piers	1,000,000	1,000,000	0	0
29	DEM – Port of Galilee Asset Protection	1,491,817	1,500,000	1,500,000	1,500,000
30	DEM – Recreational Facilities				
31	Improvements	3,245,578	2,550,000	2,290,000	3,050,000
32	DOT – Highway Improvement				
33	Program	93,863,800	31,875,000	27,200,000	27,200,000
34	DOT – Bike Path Asset Protection	400,000	400,000	400,000	400,000

1	DOT – Maintenance				
2	Capital Equipment Replacement	1,800,000	1,800,000	1,800,000	1,800,000
3	DOT – Maintenance Facility				
4	Improvements	500,000	500,000	500,000	500,000
5	DOT – Salt Storage Facilities				
6	Improvement	1,000,000	1,150,000	1,150,000	1,150,000
7	DOT – Train Station Asset Protection	350,000	350,000	500,000	500,000
8	DOT – Welcome Center Improvements	200,000	150,000	150,000	150,000
9	DOT – RIPTA				
10	Land and Building Enhancements	14,411,792	2,584,780	500,000	500,000

11 SECTION 13. Reappropriation of Funding for Rhode Island Capital Plan Fund Projects. –
12 Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project
13 appropriations shall be reappropriated in the ensuing fiscal year and made available for the same
14 purpose. However, any such reappropriations are subject to final approval by the General Assembly
15 as part of the supplemental appropriations act. Any unexpended funds of less than five hundred
16 dollars (\$500) shall be reappropriated at the discretion of the State Budget Officer.

17 SECTION 14. For the Fiscal Year ending June 30, 2023, the Rhode Island Housing and
18 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in support
19 of the Neighborhood Opportunities Program. The Corporation shall provide a report detailing the
20 amount of funding provided to this program, as well as information on the number of units of
21 housing provided as a result to the Director of Administration, the Chair of the Housing Resources
22 Commission, the Chair of the House Finance Committee, the Chair of the Senate Finance
23 Committee and the State Budget Officer.

24 SECTION 15. Appropriation of Economic Activity Taxes in accordance with the city of
25 Pawtucket downtown redevelopment statute -- There is hereby appropriated for the fiscal year
26 ending June 30, 2023, all State Economic Activity Taxes to be collected pursuant to § 45-33.4-4 of
27 the Rhode Island General Laws, as amended (including, but not limited to, the amount of tax
28 revenues certified by the Commerce Corporation in accordance with § 45-33.4-1(13) of the Rhode
29 Island General Laws), for the purposes of paying debt service on bonds, funding debt service
30 reserves, paying costs of infrastructure improvements in and around the ballpark district, arts
31 district, and the growth center district, funding future debt service on bonds, and funding a
32 redevelopment revolving fund established in accordance with § 45-33-1 of the Rhode Island
33 General Laws.

1 SECTION 16. The appropriations from federal funds contained in Section 1 shall not be
 2 construed to mean any federal funds or assistance appropriated, authorized, allocated or
 3 apportioned to the State of Rhode Island from the State Fiscal Recovery Fund and Capital Projects
 4 Fund enacted pursuant to the American Rescue Plan Act of 2021, P.L. 117-2 for fiscal year 2023
 5 except for those instances specifically designated.

6 The following amounts are hereby appropriated out of any money available in the State
 7 Fiscal Recovery Fund and Capital Projects Fund for the fiscal years ending June 30, 2024, June 30,
 8 2025, June 30, 2026, and June 30, 2027.

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

	FY Ending	FY Ending	FY Ending	FY Ending
	06/30/2024	06/30/2025	06/30/2026	06/30/2027
15 State Fiscal Recovery Fund – Federal Funds				
16 Project				
17 DOA – Aid to Convention Center	13,425,000	5,540,000	2,000,000	0
18 DOA – Electric Heat Pump Grant				
19 Program	10,233,000	10,665,000	8,377,000	0
20 DOA – Ongoing COVID-19 Response	25,052,439	0	0	0
21 DBR – Blockchain Digital Identity	1,000,000	0	0	0
22 DLT – Enhanced Real Jobs	15,000,000	15,000,000	0	0
23 DOR – Tax Modernization	1,500,000	0	0	0
24 EOC – Minority Business Accelerator	6,000,000	2,500,000	0	0
25 EOC – Blue Economy Investments	40,000,000	20,000,000	0	0
26 EOC – Bioscience Investments	15,000,000	9,000,000	1,000,000	0
27 EOC – South Quay Marine Terminal	23,000,000	0	0	0
28 RIH – Development of Affordable				
29 Housing	30,000,000	25,000,000	0	0
30 RIH – Site Acquisition	5,000,000	5,000,000	0	0
31 RIH – Down Payment Assistance	20,000,000	15,000,000	0	0
32 RIH – Workforce Housing	8,000,000	0	0	0
33 RIH – Affordable Housing				
34 Predevelopment Program	2,500,000	2,500,000	2,500,000	0
35 RIH – Home Repair and Community				
36 Revitalization	10,000,000	0	0	0
37 OHCD – Predevelopment and Capacity				

1	Building	500,000	0	0	0
2	OHCD – Homelessness Assistance				
3	Program	7,000,000	0	0	0
4	QDC – Port of Davisville	19,360,000	27,000,000	7,640,000	0
5	DCYF – Foster Home Lead Abatement				
6	& Fire Safety	375,000	0	0	0
7	DHS – Childcare Support.	1,217,000	500,000	0	0
8	DHS – RI Bridges Mobile and				
9	Childcare Tracking	2,400,000	1,900,000	0	0
10	BHDDH – Crisis Intervention				
11	Trainings	550,000	550,000	0	0
12	MHA – Mental Health Court Pilot				
13	Program	232,880	244,523	0	0
14	RIDE – Municipal Learning Centers	5,000,000	5,000,000	0	0
15	OPC – Higher Education Academies	4,500,000	4,500,000	4,500,000	
16	2,496,000				
17	Attorney General – Mental Health				
18	Court Pilot Program	210,179	220,687	0	0
19	DOC – Wi-Fi and Tech at the ACI	100,000	50,000	50,000	25,000
20	Judiciary – Mental Health Court				
21	Pilot Program	935,701	982,486	0	0
22	DPS – Support for Survivors of				
23	Domestic Violence	3,500,000	0	0	0
24	DEM – Galilee Port Rehabilitation	4,000,000	10,000,000	16,000,000	
25	10,000,000				
26	DEM – Permit and Licensing IT	2,000,000	500,000	500,000	0
27	RIPTA – Pawtucket/Central Falls Bus				
28	Hub Passenger Facility	1,000,000	0	0	0
29	Capital Projects Fund – Federal Funds				
30	Project				
31	DOA – CPF Administration	2,807,250	0	0	0
32	DOA – Municipal and Higher Ed				
33	Matching Grant Program	23,360,095	0	0	0
34	DOA – RIC Student Services Center	15,000,000	15,000,000	0	0
35	EOC – Broadband	5,160,500	4,413,000	0	0

36 The State Fiscal Recovery Fund and Capital Projects Fund appropriations herein shall be
37 made in support of the following projects:

38 **Federal Funds - State Fiscal Recovery Fund**

39 **Department of Administration (DOA)**

1 DOA – Aid to the Convention Center. These funds shall support a program to finance
2 facility improvements and provide operating support to the Rhode Island convention center
3 authority.

4 DOA – Electric Heat Pump Grant Program. These funds shall support a grant program
5 within the office of energy resources to assist homeowners and small-to-mid-size business owners
6 with the purchase and installation of high-efficiency electric heat pumps, with an emphasis on
7 families in environmental justice communities, minority-owned businesses, and community
8 organizations who otherwise cannot afford this technology.

9 DOA – Ongoing COVID-19 Response. These funds shall be allocated to continue COVID-
10 19 mitigation activities and to address the public health impacts of the pandemic in Rhode Island,
11 to be administered by the director of administration, in consultation with the director of health and
12 the secretary of health and human services.

13 DOA – Nonprofit Assistance. This program shall support nonprofit organizations to
14 address needs that have been exacerbated by COVID-19, including housing and food insecurity,
15 and behavioral health issues, among others.

16 DOA – Auto-Enrollment Program. These funds shall support a program for automatically
17 enrolling qualified individuals transitioned off Medicaid coverage at the end of the COVID-19
18 public health emergency into qualified health plans to avoid gaps in coverage, administered by
19 HealthSource RI.

20 DOA – Eligibility Extension Compliance. These funds shall be allocated to support
21 maintaining RIBridges eligibility functionalities within HealthSource RI during the extension of
22 the public health emergency.

23 DOA – ERP Implementation Support. These funds shall be allocated to the department of
24 administration to support the implementation of the enterprise resource planning system, such as
25 operating expenses, software and personnel.

26 **Department of Business Regulation (DBR)**

27 DBR – Blockchain Digital Identity. These funds shall support a program for the
28 development of blockchain technology to improve information technology security and streamline
29 professional licensing credentialing for the State.

30 DBR – Health Spending Accountability and Transparency Program. These funds shall
31 support a program allowing the office of the health insurance commissioner to track and curb health
32 care spending growth rates.

33 **Department of Labor and Training (DLT)**

1 DLT – Unemployment Insurance Trust Fund Contribution. The director of labor and
2 training shall allocate these appropriations to the employment security fund if he or she determines
3 the allocation would be beneficial for the purpose of determining the experience rate for each
4 eligible employer for calendar year 2023. If the director of labor and training determines the
5 allocation to the employment security fund is not beneficial for eligible employers in the next
6 calendar year, he or she shall allocate these monies to the DLT – Enhanced Real Jobs project
7 referenced in this section.

8 DLT – Enhanced Real Jobs. These funds shall support the Real Jobs Rhode Island program
9 in the development of job partnerships, connecting industry employers adversely impacted by the
10 pandemic to individuals enrolled in workforce training programs.

11 **Department of Revenue (DOR)**

12 DOR – Tax Modernization. These funds shall enhance department of revenue division of
13 taxation business process improvements and taxpayer services.

14 **Executive Office of Commerce (EOC)**

15 EOC – Small Business and Technical Assistance. These funds shall support a program to
16 invest additional financial and technical assistance resources to support small businesses which
17 have been disproportionately impacted by the pandemic. The program will include direct payments
18 to businesses to address the negative impacts of the pandemic, technical assistance for long-term
19 business capacity building, capital improvements for public health upgrades and outdoor
20 programming, and administration expenses.

21 EOC – Assistance to Impacted Industries. These funds shall be allocated to a program to
22 provide support to the tourism, hospitality, events and other industries disproportionately impacted
23 by the pandemic. The program will include direct payments to businesses to address the negative
24 economic impacts of the pandemic, outdoor and public space capital improvements and event
25 programming, tourism marketing in coordination with state tourism regions and the airport
26 corporation, and costs to implement these initiatives.

27 EOC – Statewide Broadband Planning and Mapping. These funds shall be allocated to
28 develop a statewide broadband strategic plan, to support related staffing, and to conduct mapping
29 in support of future state broadband investment.

30 EOC – Minority Business Accelerator. These funds shall support a program to invest
31 additional resources to enhance the growth of minority owned businesses. The initiative will
32 support a range of assistance and programming, including for example, financial and technical
33 assistance, entrepreneurship training, space for programming and co-working, and assistance
34 accessing low-interest loans.

1 EOC – Blue Economy Investments. These funds shall support a program to invest in the
2 state’s blue economy industries, including, but not limited to, such areas of focus as ports and
3 shipping, defense, marine trades, ocean-related technology, ocean-based renewables, aquaculture
4 and fisheries, and tourism and recreation.

5 EOC – Bioscience Investments. These funds shall support a program to invest in the state’s
6 life science industries. The investments will include, but are not limited to, such areas of focus as
7 the build-out of shared wet lab space for startup and early-stage businesses, a competitive life
8 sciences site acquisition and facility investments program, and supports for small businesses
9 seeking to connect with and expand within the sector.

10 EOC – Small Business Access to Capital. These funds shall support a program to assist
11 small businesses with COVID-related impacts as well as such expenses as real estate costs, short-
12 and long-term working capital, refinancing debt, and the purchase of furniture, fixtures, and
13 supplies. This program will also seek to leverage other private and public resources, such as the
14 SBA 7(a) loan program, to maximize its reach and effectiveness.

15 EOC – Main Streets Revitalization. These funds shall support a program providing
16 investments in main street improvements such as signage, lighting, façade and sidewalk
17 improvements in municipal commercial districts. These funds may also provide technical
18 assistance to municipalities and non-profit partners in developing and executing main street
19 improvement projects.

20 EOC – South Quay Marine Terminal. These funds shall support the development of an
21 integrated and centralized hub of intermodal shipping designed to support the offshore wind
22 industry in East Providence. The program will include elements such as design activities and the
23 development of the waterfront portion of the terminal into a marine-industrial facility.

24 **Rhode Island Housing (RIH)**

25 RIH – Development of Affordable Housing. These funds shall expand a program at the
26 Rhode Island housing and mortgage finance corporation to provide additional investments in the
27 development of affordable housing units.

28 RIH – Site Acquisition. These funds shall be allocated to the Rhode Island housing and
29 mortgage finance corporation toward the acquisition of properties for redevelopment as affordable
30 and supportive housing.

31 RIH – Down Payment Assistance. Administered by the Rhode Island housing and
32 mortgage finance corporation, these funds shall be allocated to a program to provide \$17,500 in
33 down payment assistance to eligible first-time home buyers to promote homeownership.

1 RIH – Workforce Housing. These funds shall support a program to increase the housing
2 supply for families earning up to 120 percent of area median income.

3 RIH – Affordable Housing Predevelopment Program. These funds shall support
4 predevelopment work, for proposed affordable housing developments to build a pipeline of new
5 projects and build the capacity of affordable housing developers in the state to expand affordable
6 housing production.

7 RIH – Home Repair and Community Revitalization. These funds shall expand a program
8 administered by the Rhode Island housing and mortgage finance corporation to finance the
9 acquisition and redevelopment of blighted properties to increase the number of commercial and
10 community spaces in disproportionately impacted communities and or to increase the development
11 of affordable housing. The program will also support critical home repairs within the same
12 communities.

13 **Office of Housing and Community Development (OHCD)**

14 OHCD – Predevelopment and Capacity Building. These funds shall support a program to
15 increase contract staffing capacity to administer proposed affordable housing projects. These funds
16 will support research and data analysis, stakeholder engagement, and the expansion of services for
17 people experiencing homelessness.

18 OHCD – Homelessness Assistance Program. These funds shall support a program to
19 expand housing navigation, behavioral health, and stabilization services to address pandemic-
20 related homelessness. The program will support both operating subsidies for extremely low-income
21 housing units and services for people transitioning from homelessness to housing, including
22 individuals transitioning out of the adult correctional institutions

23 OHCD – Homelessness Infrastructure. These funds shall be used to support a program to
24 respond to pandemic-related homelessness, including but not limited to, acquisition or construction
25 of temporary or permanent shelter-based and/or housing-based solutions, wrap-around services and
26 administrative costs of implementation.

27 OHCD – Statewide Housing Plan. These funds shall be allocated to the development of a
28 statewide comprehensive housing plan to assess current and future housing needs, consider barriers
29 to home ownership and affordability, and identify services needed for increased investments toward
30 disproportionately impacted individuals and communities. These funds will also be used to support
31 municipal planning efforts to identify and cultivate viable sites and housing projects.

32 **Quonset Development Corporation (QDC)**

33 QDC – Port of Davisville. These funds shall be allocated to expand a program developing
34 port infrastructure and services at the Port of Davisville in Quonset. This will increase investments

1 to job opportunities, marine transportation and improvements to projects in the offshore wind
2 industry.

3 **Executive Office of Health and Human Services (EOHHS)**

4 EOHHS – Pediatric Recovery. These funds shall support a program to provide relief to
5 pediatric providers in response to the decline in visitation and enrollment caused by the public
6 health emergency and incentivize providers to increase developmental and psychosocial behavioral
7 screenings.

8 EOHHS – Early Intervention Recovery. These funds shall support a program to provide
9 relief to early intervention providers in response to a decline in enrollment for early intervention,
10 family home visiting and screening programs. This program will also provide performance bonuses
11 for providers who hit certain targets, such as recovering referral numbers and achieving reduced
12 staff turnover.

13 EOHHS – Eligibility Extension Compliance. These funds shall be allocated to support
14 maintaining RIBridges eligibility functionalities during the extension of the federal public health
15 emergency.

16 EOHHS – Certified Community Behavioral Clinics. These funds shall be allocated to a
17 program to support certified community behavioral health clinics to bolster behavioral health
18 supports, medical screening and monitoring, and social services to particularly vulnerable
19 populations in response to a rise in mental health needs during the public health emergency.

20 EOHHS – 9-8-8 Hotline. These funds shall be allocated for the creation of a 9-8-8 hotline
21 to maintain compliance with the National Suicide Hotline Designation Act of 2020 and the Federal
22 Communications Commission-adopted rules to assure that all citizens receive a consistent level of
23 9-8-8 and crisis behavioral health services.

24 **Department of Children, Youth and Families (DCYF)**

25 DCYF – Provider Workforce Stabilization. These funds shall be allocated to support
26 workforce stabilization supplemental wage payments and sign-on bonuses to eligible direct care
27 and supporting care staff of contracted service providers.

28 DCYF – Psychiatric Treatment Facility. These funds shall be allocated to establish a
29 Psychiatric Residential Treatment Facility to provide intensive residential treatment options for
30 adolescent girls and young women who face severe and complex behavioral health challenges.

31 DCYF – Foster Home Lead Abatement & Fire Safety. These funds shall be allocated to
32 provide financial assistance to foster families for lead remediation and fire suppression upgrades.

33 **Department of Human Services (DHS)**

1 DHS – Child Care Support. To address the adverse impact the pandemic has had on the
2 child care sector, the funds allocated to this program will provide retention bonuses for direct care
3 staff at child care centers and licensed family providers in response to pandemic-related staffing
4 shortages and start up and technical assistance grants for family child care providers. The director
5 of the department of human services and the director of the department of children, youth and
6 families may waive any fees otherwise assessed upon child care provider applicants who have been
7 awarded the family child care provider incentive grant. The allocation to this program will also
8 support quality improvements, the creation of a workforce registry and additional funds for
9 educational opportunities for direct care staff.

10 DHS – RIBridges Mobile and Child Care Tracking. These funds shall be allocated to the
11 department of human services to expand functionality of the HealthyRhode mobile application to
12 allow for beneficiaries to digitally submit applications, recertifications and reports to reduce the
13 need for in-person services, prevent the loss of needed benefits and improve efficiencies.

14 DHS – Eligibility Extension Compliance. These funds shall be allocated to support
15 maintaining RIBridges eligibility functionalities during the extension of the public health
16 emergency.

17 DHS – Emergency Staffing RIVH. These funds shall support a program to address urgent
18 staffing needs in state health care facilities, including the Veterans Home.

19 **Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH)**

20 BHDDH – Crisis Intervention Trainings. To respond to the increased volume of mental-
21 health related calls reported by police departments, these funds shall be allocated to the crisis
22 intervention training program to provide an eight-hour training every three years for law
23 enforcement as well as continuing education opportunities.

24 BHDDH - Emergency Staffing ESH Zambarano. These funds shall support a program to
25 address urgent staffing needs in state health care facilities, including the Zambarano unit.

26 BHDDH – Emergency Staffing State Psychiatric Hospital. These funds shall support a
27 program to address urgent staffing needs in the state psychiatric hospital.

28 BHDDH – Emergency Staffing ESH. These funds shall support a program to address
29 urgent staffing needs in state health care facilities, including Eleanor Slater Hospital.

30 **Office of the Mental Health Advocate**

31 MHA – Mental Health Court Pilot Program. This program shall support a pilot program to
32 provide increased services for defendants with mental illness and divert entry into the criminal
33 justice system.

34 **Rhode Island Department of Education (RIDE)**

1 RIDE – Municipal Learning Centers. These funds shall be allocated to a program to partner
2 with municipalities to support the creation of centers to provide educational programming. Programs
3 will be available year-round for free or a fee-for-service rate structure, with an emphasis on out-of-
4 school time and vacations.

5 **Office of the Postsecondary Commissioner (OPC)**

6 OPC – Higher Education Academies. These funds shall be allocated to the office of the
7 postsecondary commissioner to provide supports, such as targeted coaching and wraparound
8 supports, for those age 16 and older to continue their education. The program will establish
9 academies to focus on outreach to rising seniors and recent graduates in disproportionately
10 impacted communities, ensuring a seamless transition to postsecondary education or workforce
11 training, and college readiness coursework and support to enroll in summer courses.

12 **Office of the Attorney General**

13 Attorney General – Mental Health Court Pilot Program. This program shall support a pilot
14 program to provide increased services for defendants with mental illness and divert entry into the
15 criminal justice system.

16 **Department of Corrections (DOC)**

17 DOC – Wi-Fi and Tech at the Adult Correctional Institutions. These funds shall support
18 the purchase and installation of capital infrastructure of Wi-Fi systems at the adult correctional
19 institutions. This will enable increased access to educational opportunities for incarcerated
20 individuals.

21 DOC – Radio Systems. These funds shall support the purchase and installation of an
22 updated radio and communication system at the adult correctional institutions.

23 **Judicial Branch (Judiciary)**

24 Judiciary – Mental Health Court Pilot Program. This program shall support a pilot program
25 to provide increased services for defendants with mental illness and divert entry into the criminal
26 justice system.

27 **Department of Public Safety (DPS)**

28 DPS – Support for Survivors of Domestic Violence. These funds shall be allocated to invest
29 in the nonprofit community to provide additional housing, clinical and mental health services to
30 victims of domestic violence and sexual assault. This includes increased investments for therapy
31 and counseling, housing assistance, job training, relocation aid and case management.

32 **Department of Environmental Management (DEM)**

1 DEM – Galilee Port Rehabilitation. These funds shall support a program providing
2 additional investments to port infrastructure improvements at the Port of Galilee, increasing
3 services for commercial fishing and related businesses.

4 DEM – Permit and Licensing IT. These funds shall support a program to provide
5 information technology improvements for online permit and licensing systems for fish and wildlife,
6 commercial fishing and boating registrations.

7 **Rhode Island Public Transit Authority (RIPTA)**

8 RIPTA – Pawtucket/Central Falls Bus Hub Passenger Facility. These funds shall support
9 the development of a facility outfitted with restrooms, customer service windows and covered
10 waiting areas at the Pawtucket-Central Falls Commuter Rail Station.

11 **Federal Funds - Capital Projects Fund**

12 **Department of Administration (DOA)**

13 DOA – CPF Administration. These funds shall be allocated to the department of
14 administration to oversee the implementation of the Capital Projects Fund award from the
15 American Rescue Plan Act.

16 DOA – Municipal and Higher Ed Matching Grant Program. These funds shall be allocated
17 to a matching fund program for cities and towns that renovate or build a community wellness center
18 that meets the work, education and health monitoring requirements identified by the U.S.
19 Department of the Treasury.

20 DOA – RIC Student Services Center. These funds shall support the development of a
21 centralized hub at Rhode Island College, where students can complete essential tasks.

22 **Executive Office of Commerce (EOC)**

23 EOC – Broadband. These funds shall be allocated to the executive office of commerce to
24 invest in last-mile projects to provide high-speed, reliable internet to all Rhode Islanders. The
25 secretary of commerce, in partnership with the director of business regulation, will run a series of
26 requests for proposals for broadband infrastructure projects, providing funds to municipalities,
27 public housing authorities, business cooperatives and local internet service providers for last-mile
28 projects targeted at those unserved and underserved by the current infrastructure. This investment
29 will unlock a minimum of \$100 million in federal funds for broadband investment through the
30 Infrastructure Investment and Jobs Act.

31 SECTION 17. Reappropriation of Funding for State Fiscal Recovery Fund and Capital
32 Projects Fund. Notwithstanding any provision of general law, any unexpended and unencumbered
33 federal funds from the State Fiscal Recovery Fund and Capital Projects Fund shall be
34 reappropriated in the ensuing fiscal year and made available for the same purposes.

1 SECTION 18. State Fiscal Recovery Fund and Capital Projects Fund Compliance and
2 Reporting. The pandemic recovery office shall be established within the department of
3 administration to oversee all programs financed by the State Fiscal Recovery Fund or Capital
4 Projects Fund to ensure compliance with the rules, regulations, and other guidance issued by the
5 U.S. Department of the Treasury in accordance with the provisions of Section 9901, Subsections
6 602 and 604 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2. The pandemic recovery
7 office shall be responsible for submission of all reports required by the U.S. Department of the
8 Treasury for the State Fiscal Recovery Fund and Capital Projects Fund.

9 In consultation with the pandemic recovery office, the budget officer shall establish an
10 allotment system such that distributions of State Fiscal Recovery Fund and Capital Projects Fund
11 shall be made contingent upon recipients' compliance with all state and federal rules, regulations,
12 and guidance.

13 SECTION 19. This article shall take effect as of July 1, 2022, except as otherwise provided
14 herein.

1 **ARTICLE 2**

2 **RELATING TO STATE FUNDS**

3 SECTION 1. Chapter 23-17.14 of the General Laws entitled “The Hospital Conversions
4 Act” is hereby amended by adding thereto the following section:

5 **23-17.14-36. Hospital conversion monitoring account**

6 There is hereby established within the department of health, a restricted receipt account
7 entitled “Hospital Conversion Monitoring.” This account shall be used for the sole purpose to fund
8 monitoring activities associated with hospital conversions pursuant to § 23-17.14-28(d) (1), (2),
9 (3), and (4). Funds held in non-state escrow, whether currently existing or prospective, through
10 agreement between the department of health and the conversion acquiror may be deposited into the
11 restricted receipt account and disbursed, as necessary, to conduct the monitoring activities
12 associated with § 23-17.14-28(d) (1), (2), (3), and (4).

13 SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled “State Funds”
14 is hereby amended to read as follows:

15 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

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

24 Executive Office of Health and Human Services

25 Organ Transplant Fund

26 HIV Care Grant Drug Rebates

27 Health System Transformation Project

28 Adult Use Marijuana Program Licensing

29 Rhode Island Statewide Opioid Abatement Account

30 HCBS Support- ARPA

31 HCBS Admin Support- ARPA

32 Department of Human Services

33 Veterans' home — Restricted account

34 Veterans' home — Resident benefits

1 Pharmaceutical Rebates Account
2 Demand Side Management Grants
3 Veteran's Cemetery Memorial Fund
4 Donations — New Veterans' Home Construction
5 Department of Health
6 Pandemic medications and equipment account
7 Miscellaneous Donations/Grants from Non-Profits
8 State Loan Repayment Match
9 Healthcare Information Technology
10 [Adult Use Marijuana Program](#)
11 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
12 Eleanor Slater non-Medicaid third-party payor account
13 Hospital Medicare Part D Receipts
14 RICLAS Group Home Operations
15 [Adult Use Marijuana Program](#)
16 Commission on the Deaf and Hard of Hearing
17 Emergency and public communication access account
18 Department of Environmental Management
19 National heritage revolving fund
20 Environmental response fund II
21 Underground storage tanks registration fees
22 De Coppet Estate Fund
23 Rhode Island Historical Preservation and Heritage Commission
24 Historic preservation revolving loan fund
25 Historic Preservation loan fund — Interest revenue
26 Department of Public Safety
27 E-911 Uniform Emergency Telephone System
28 Forfeited property — Retained
29 Forfeitures — Federal
30 Forfeited property — Gambling
31 Donation — Polygraph and Law Enforcement Training
32 Rhode Island State Firefighter's League Training Account
33 Fire Academy Training Fees Account
34 [Adult Use Marijuana Program](#)

1 Attorney General
2 Forfeiture of property
3 Federal forfeitures
4 Attorney General multi-state account
5 Forfeited property — Gambling
6 [Automatic Expungement](#)
7 Department of Administration
8 OER Reconciliation Funding
9 Health Insurance Market Integrity Fund
10 RI Health Benefits Exchange
11 Information Technology Investment Fund
12 Restore and replacement — Insurance coverage
13 Convention Center Authority rental payments
14 Investment Receipts — TANS
15 OPEB System Restricted Receipt Account
16 Car Rental Tax/Surcharge-Warwick Share
17 Grants Management Administration
18 Executive Office of Commerce
19 Housing Resources Commission Restricted Account
20 Housing Production Fund
21 Department of Revenue
22 DMV Modernization Project
23 Jobs Tax Credit Redemption Fund
24 [Adult Use Marijuana Program](#)
25 Legislature
26 Audit of federal assisted programs
27 Department of Children, Youth and Families
28 Children's Trust Accounts — SSI
29 Military Staff
30 RI Military Family Relief Fund
31 RI National Guard Counterdrug Program
32 Treasury
33 Admin. Expenses — State Retirement System
34 Retirement — Treasury Investment Options

1 Defined Contribution — Administration - RR
2 Violent Crimes Compensation — Refunds
3 Treasury Research Fellowship
4 Business Regulation
5 Banking Division Reimbursement Account
6 Office of the Health Insurance Commissioner Reimbursement Account
7 Securities Division Reimbursement Account
8 Commercial Licensing and Racing and Athletics Division Reimbursement Account
9 Insurance Division Reimbursement Account
10 Historic Preservation Tax Credit Account
11 [Adult Use Marijuana Program](#)
12 Judiciary
13 Arbitration Fund Restricted Receipt Account
14 Third-Party Grants
15 RI Judiciary Technology Surcharge Account
16 [Automatic Expungement](#)
17 Department of Elementary and Secondary Education
18 Statewide Student Transportation Services Account
19 School for the Deaf Fee-for-Service Account
20 School for the Deaf — School Breakfast and Lunch Program
21 Davies Career and Technical School Local Education Aid Account
22 Davies — National School Breakfast & Lunch Program
23 School Construction Services
24 Office of the Postsecondary Commissioner
25 Higher Education and Industry Center
26 Department of Labor and Training
27 Job Development Fund
28 Rhode Island Council on the Arts
29 Governors' Portrait Donation Fund
30 Statewide records management system account
31 SECTION 3. Section 39-1-42 of the General Laws in Chapter 39-1 entitled “Public
32 Utilities Commission” is hereby amended to read as follows:
33 [39-1-42. Access to telephone information services for persons with disabilities.](#)

1 (a) The public utilities commission shall establish, administer, and promote an information
2 accessibility service that includes:

3 (1) A statewide telephone relay service and, through the competitive bidding process,
4 contract for the administration and operation of such a relay system for utilization of the
5 telecommunications network by deaf, hard-of-hearing and speech-impaired persons;

6 (2) The adaptive telephone equipment loan program capable of servicing the needs of
7 persons who are deaf, hard of hearing, severely speech impaired, or those with neuromuscular
8 impairments for use with a single-party telephone line, or wireless telephone, to any subscriber who
9 is certified as deaf, hard of hearing, severely speech impaired, or with neuromuscular impairments
10 by a licensed physician, audiologist, speech pathologist, or a qualified state agency, pursuant to
11 chapter 23 of this title; and

12 (3) A telephone access to the text of newspaper programs to residents who are blind, deaf
13 or blind, visually impaired, or reading impaired with a single-party telephone line.

14 (b) The commission shall establish, by rule or regulation, an appropriate funding
15 mechanism to recover the costs of providing this service from each residence and business
16 telephone access line or trunk in the state, including PBX trunks and centrex equivalent trunks and
17 each service line or trunk, and upon each user interface number or extension number or similarly
18 identifiable line, trunk, or path to or from a digital network. Notwithstanding the foregoing, there
19 shall not be any additional funding mechanism used to charge each residence and business
20 telephone access line or trunk in the state, including PBX trunks and centrex equivalent trunks and
21 each service line or trunk, or upon each user interface number or extension number or similarly
22 identifiable line, trunk, or path to or from a digital network, to recover the costs of providing the
23 services outlined in subsection (a)(1), (2) or (3) above.

24 (c) The commission, with the assistance of the state commission on the deaf and hard of
25 hearing, shall also develop the appropriate rules, regulations, and service standards necessary to
26 implement the provisions of subsection (a)(1). At a minimum, however, the commission shall
27 require, under the terms of the contract, that the relay service provider:

28 (1) Offer its relay services seven (7) days a week, twenty-four (24) hours a day, including
29 holidays;

30 (2) Hire only qualified salaried operators with deaf language skills; and

31 (3) Maintain the confidentiality of all communications.

32 (d) The commission shall collect from the telecommunications service providers the
33 amounts of the surcharge collected from their subscribers and remit to the department of human
34 services an additional ten thousand dollars (\$10,000) annually commencing in fiscal year 2005 for

1 the adaptive telephone equipment loan program and forty thousand dollars (\$40,000) to the
2 department of human services for the establishment of a new telephone access to the text of
3 newspaper programs. In addition, ~~eighty thousand dollars (\$80,000)~~ one hundred thousand dollars
4 (\$100,000) shall annually be remitted to the Rhode Island commission on the deaf and hard of
5 hearing for an emergency and public communication access program, pursuant to § 23-1.8-4. The
6 surcharge referenced hereunder shall be generated from existing funding mechanisms and shall not
7 be generated as a result of any new funding mechanisms charged to each residence and business
8 telephone access line or trunk in the state, including PBX trunks and centrex equivalent trunks and
9 each service line or trunk, or upon each user interface number or extension number or similarly
10 identifiable line, trunk, or path to or from a digital network.

11 SECTION 4. Section 42-7.2-10 of the General Laws in Chapter 42-7.2 entitled “Office of
12 Health and Human Services” is hereby amended to read as follows:

13 **42-7.2-10. Appropriations and disbursements.**

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

20 (b) For the purpose of recording federal financial participation associated with qualifying
21 healthcare workforce development activities at the state's public institutions of higher education,
22 and pursuant to the Rhode Island designated state health programs (DSHP), as approved by the
23 Centers for Medicare & Medicaid Services (CMC) October 20, 2016, in the 11-W-00242/1
24 amendment to Rhode Island's section 1115 Demonstration Waiver, there is hereby established a
25 restricted-receipt account entitled "Health System Transformation Project" in the general fund of
26 the state and included in the budget of the office of health and human services.

27 (c) There are hereby created within the general fund of the state and housed within the
28 budget of the office of health and human services two restricted receipt accounts, respectively
29 entitled “HCBS Support- ARPA” and HCBS Admin Support- ARPA”. Amounts deposited into
30 these accounts are the enhanced federal match received on eligible home and community-based
31 services between April 1, 2021 and March 31, 2022, allowable under Section 9817 of the American
32 Rescue Plan Act of 2021, P.L. 117-2. Funds deposited into the “HCBS Support- ARPA” account
33 will used to finance the state share of newly eligible medicaid expenditures by the executive office
34 of health and human services and its sister agencies, including the department of children, youth,

1 and families, the department of health, and the department of behavioral healthcare, developmental
2 disabilities, and hospitals. Funds deposited into the “HCBS Admin Support- ARPA” account will
3 used to finance the state share of allowable administrative expenditures attendant to the
4 implementation of these newly eligible medicaid expenditures. The accounts created under this
5 subsection shall be exempt from the indirect cost recovery provisions of Section 35-4-27 of the
6 Rhode Island general laws.

7 (d) There is hereby created within the general fund of the state and housed within the budget
8 of the office of health and human services a restricted receipt account entitled “Rhode Island
9 Statewide Opioid Abatement Account” for the purpose of receiving and expending monies from
10 settlement agreements with opioid manufacturers, pharmaceutical distributors, pharmacies, or their
11 affiliates, as well as monies resulting from bankruptcy proceedings of the same entities. The
12 executive office of health and human services shall deposit any revenues from such sources that
13 are designated for opioid abatement purposes into the restricted receipt account. Funds from this
14 account shall only to be used for forward-looking opioid abatement efforts as defined and limited
15 by any settlement agreements, state-city and town agreements, or court orders pertaining to the use
16 of such funds. By January 1 of each calendar year, the secretary of health and human services shall
17 report to the governor, the speaker of the house of representatives, the president of the senate, and
18 the attorney general on the expenditures that were funded using monies from the Rhode Island
19 statewide opioid abatement account and the amount of funds spent. The account created under this
20 subsection shall be exempt from the indirect cost recovery provisions of Section 35-4-27 of the
21 Rhode Island General Laws.

22 SECTION 5. Section 4 of this Article shall take effect as of July 1, 2021. Sections 1, 2,
23 and 3 of this Article shall take effect as of July 1, 2022.

1 **ARTICLE 3**

2 **RELATING TO GOVERNMENT REFORM AND RE-ORGANIZATION**

3 SECTION 1. Section 3-7-14.2 of the General Laws in Chapter 3-7 entitled "Retail
4 Licenses" is hereby amended to read as follows:

5 **3-7-14.2. Class P licenses -- Caterers.**

6 (a) A caterer licensed by the department of health and the division of taxation shall
7 be eligible to apply for a Class P license from the department of business regulation. The
8 department of business regulation is authorized to issue all caterers' licenses. The license will
9 be valid throughout this state as a state license and no further license will be required or tax imposed
10 by any city or town upon this alcoholic beverage privilege. Each caterer to which the license is issued
11 shall pay to the department of business regulation an annual fee of five hundred dollars (\$500) for
12 the license, ~~and one dollar (\$1.00) for each duplicate of the license~~, which fees are paid into the
13 state treasury. The department is authorized to promulgate rules and regulations for the
14 implementation of this license. In promulgating said rules, the department shall include, but is
15 not limited to, the following standards:

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

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

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

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

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

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

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

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

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

28 (c) The licensee shall purchase at retail all alcoholic beverages from a licensed Class A
29 alcohol retail establishment located in the state, provided, however, any licensee who also holds a

30 Class T license, issued pursuant to the provisions of § 3-7-7, shall be allowed to purchase
31 alcoholic beverages at wholesale. Any person violating this section shall be fined five hundred
32 dollars (\$500) for this violation and shall be subject to license revocation. The provisions of this
33 section shall be enforced in accordance with this title.

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

4 SECTION 2. Chapter 5-2 of the General Laws entitled "Bowling Alleys, Billiard Tables,
5 and Shooting Galleries" is hereby amended by adding thereto the following section:

6 **5-2-3.1. Billiard table defined.**

7 As used in this chapter, the term "billiard table" means and shall include billiard tables,
8 pool tables, and pocket billiard tables.

9 SECTION 3. Sections 5-2-1, 5-2-2, 5-2-3 and 5-2-9 of the General Laws in Chapter 5-2
10 entitled "Bowling Alleys, Billiard Tables, and Shooting Galleries" are hereby amended to read as
11 follows:

12 **5-2-1. ~~City and town regulation and taxation of bowling alleys and billiard tables~~ City**
13 **and town regulation and taxation of bowling alleys and establishments with three (3) or more**
14 **billiard tables.**

15 The town and city councils of the several towns and cities may tax, regulate, and, if they
16 find it expedient, prohibit and suppress, bowling alleys and establishments with three (3) or more
17 billiard tables in their respective cities and towns, conforming to law.

18 **§ 5-2-2. Refusal of bowling alley, box ball alley, or billiard table keeper to comply with**
19 **order of the city or town council.**

20 The keeper of any bowling alley, box ball alley, or establishment with three (3) or more
21 billiard ~~table~~ tables who refuses or neglects to comply with an order or decree relating to it, which
22 any city or town council is authorized to make, shall be fined fifty dollars (\$50.00).

23 **§ 5-2-3. Keeper of bowling alley, box ball alley, or billiard table defined.**

24 The owner or occupant of the premises on which any bowling alley, box ball alley, or three
25 (3) or more billiard ~~table is~~ tables are situated is deemed the keeper of that bowling alley, box ball
26 alley, or (3) or more billiard ~~table~~ tables, within the meaning of the provisions of this chapter.

27 **5-2-9. Sunday operation of bowling alleys and billiard tables.**

28 (a) Town or city councils or licensing authorities in any city or town may permit licensees
29 operating bowling alleys, or persons paying a tax for the operation of a bowling alley, to operate
30 rooms or places where bowling, or playing of billiards, or pocket billiards at establishments with
31 three (3) or more billiard tables for a fee or charge may be engaged in by patrons of those rooms or
32 places on the first day of the week, subject to any restrictions and regulations that the city or town
33 council or licensing authority designates; provided, that the operation of bowling alleys or rooms
34 or places where bowling, playing of billiards, or pocket billiards at establishments with three (3) or

1 [more billiard tables](#) for a fee or charge is permitted on the first day of the week only between the
2 hours of one o'clock (1:00) p.m. and twelve o'clock (12:00) midnight; and provided, that no bowling
3 alley or rooms or places where bowling, playing of billiards, or pocket billiards for a fee or charge
4 is operated on the first day of the week within two hundred feet (200') of a place of public worship
5 used for public worship.

6 (b) The operation of any bowling alley, room, or place between any hour on the last day of
7 the week and one o'clock (1:00) a.m. on the first day of the week is not a violation of this section.

8 SECTION 4. Chapter 5-12 of the General Laws entitled "Hide and Leather Inspection"
9 is hereby repealed.

10 ~~**5-12-1. Town and city inspectors.**~~

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

14 ~~**5-12-2. Inspection and stamping of hides and leather.**~~

15 ~~City and town inspectors of hides and leather shall examine and inspect all hides and~~
16 ~~leather that they may be called upon to inspect, within their towns or cities, and stamp upon the~~
17 ~~inspected hides or leather their quality, as rated in the hides and leather trade, together with the~~
18 ~~name of the inspector and date of inspection.~~

19 ~~**5-12-3. Inspection fees.**~~

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

23 ~~**5-12-4. Misconduct by inspectors.**~~

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

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

30 **5-71-8. Qualifications of applicants for licenses.**

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

34 (1) Is of good moral character;

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

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

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

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

9 (b) To be eligible for licensure by the board as an educational interpreter for the deaf, the
10 applicant must meet all of the requirements as described in subsection (a) and must further present
11 proof of successful completion of the educational interpreter performance assessment (EIPA),
12 written and performance tests, or a similar test as approved by the board, at a performance level
13 established by the board.

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

18 SECTION 6. Sections 9-5-10.1, 9-5-10.5 and 9-5-10.6 of the General Laws in Chapter 9-
19 5 entitled "Writs, Summons and Process" are hereby amended to read as follows:

20 **9-5-10.1. Certification of constables.**

21 (a) (1) A person at least twenty-one (21) years of age who complies with the statute and
22 the requirements set forth in any regulations promulgated by the department of business regulation
23 may file an application with the department requesting that the applicant be certified as a
24 constable. Once issued by the department, the certification shall be effective for a period of two (2)
25 years or until the approval is withdrawn by the department. A certified constable shall be entitled
26 to serve or execute writs and process in such capacity for any court of the state, anywhere in the
27 state, subject to any terms and limitations as set forth by the court, ~~and in such number as determined~~
28 ~~by the chief judge of the district court.~~

29 (2) A person to be certified as a constable shall provide documentation and evidence
30 satisfactory to the department of business regulations that the person possesses the specified
31 minimum qualifications to include:

32 (i) Sixty (60) hours of earned credit from an accredited college, university, or institution;

33 or

34 (ii) Four (4) years of honorable military service; or

1 (iii) Twenty (20) years of honorable service with a local, state, or federal law enforcement
2 agency; and

3 (iv) United State citizenship; and

4 (v) Possession of a valid motor vehicle operator's license; and

5 (vi) Successful completion of unlawful drug use screening; and

6 (vii) Successful completion of psychological testing approved by the department of
7 business regulation.

8 (b) Certification process.

9 (1) Application.

10 (i) Any person seeking certification pursuant to this section shall complete an application
11 and submit it to the department of business regulation in the form designated by the department for
12 such applications.

13 (ii) The application shall include information determined by the department to be relevant
14 to licensure and shall include a national criminal background check.

15 (2) Referral to certified constables' board. Once the applicant has provided a completed
16 application, the department shall refer the applicant to the certified constables' board by providing
17 a copy of the application to the board ~~and to the chief judge of the district court.~~

18 (3) Training.

19 (i) Following review of the application, the board shall determine whether the applicant
20 should be recommended for training ~~by the board~~ to be conducted by a volunteer training constable.
21 If the board determines that training is appropriate, the applicant shall be assigned to a training
22 constable who shall be a constable in good standing for a minimum of ten (10) years and who is
23 approved by the ~~chief judge of the district court to train prospective constables~~ [department](#).

24 (ii) Training shall consist of a minimum of ninety (90) hours to be completed no sooner
25 than ninety (90) days from the date of the referral by the board. The department may waive the
26 training requirement of this section for an applicant who has graduated from a certified police or
27 law enforcement academy and who has a minimum of twenty (20) years of honorable service as a
28 police or law enforcement officer.

29 (iii) Within thirty (30) days from the conclusion of training, a written report shall be
30 submitted by the training constable to the board with a copy to the department that reflects the dates
31 and times of training and comments on the aptitude of the trainee.

32 (iv) If the board concludes that training is not appropriate or if the report of the training
33 constable concludes that the applicant does not have the aptitude to perform the duties of a
34 constable, the board shall so inform the department which shall deny the application on that basis.

1 (4) Oral and written tests.

2 (i) Upon the successful completion of the training period and recommendation from the
3 training constable, within ninety (90) days, the applicant shall complete an oral examination on the
4 legal and practical aspects of certified constables' duties that shall be created and administered by
5 the board.

6 (ii) Upon the successful completion of the oral examination, within sixty (60) days the
7 applicant must complete a written test created by the board and approved by the ~~chief judge of the~~
8 ~~district court~~ department that measures the applicant's knowledge of state law and court procedure.

9 (iii) If the board concludes that the applicant has not successfully passed either the oral or
10 written test, the board shall so inform the department which shall deny the application on that basis.

11 (5) Final review. The department shall review the application, training record, test scores,
12 and such other information or documentation as required and shall determine whether the applicant
13 shall be approved for certification and the person authorized to serve process in the state.

14 (c) Any person certified as a constable on the effective date of this act shall continue to be
15 certified without complying with the certification requirements prescribed by this act.

16 **9-5-10.5. Suspension, revocation or review of certification of certified constables.**

17 (a) Upon the receipt of a written complaint, request of the board, request of a judge of any
18 court, or upon its own initiative, the department shall ascertain the facts and, if warranted, hold a
19 hearing for the reprimand, suspension, or revocation of a certification. The director, or his or her
20 designee, has the power to refuse a certification for cause or to suspend or revoke a certification or
21 place an applicant on probation for any of the following reasons:

22 (1) The certification was obtained by false representation or by fraudulent act or conduct;

23 (2) Failure to report to the department any of the following within thirty (30) days of the
24 occurrence:

25 (i) Any criminal prosecution taken in any jurisdiction. The constable shall provide the
26 initial complaint filed and any other relevant legal documents;

27 (ii) Any change of name, address or other contact information;

28 (iii) Any administrative action taken against the constable in any jurisdiction by any
29 government agency within or outside of this state. The report shall include a copy of all relevant
30 legal documents.

31 (3) Failure to respond to the department within ten (10) days to any written inquiry from
32 the department;

33 (4) Where a certified constable, in performing or attempting to perform any of the acts
34 mentioned in this section, is found to have committed any of the following:

1 (i) Inappropriate conduct that fails to promote public confidence, including failure to
2 maintain impartiality, equity, and fairness in the conduct of his or her duties;

3 (ii) Neglect, misfeasance, or malfeasance of his or her duties;

4 (iii) Failure to adhere to court policies, rules, procedures, or regulations;

5 (iv) Failure to maintain the highest standards of personal integrity, honesty, and
6 truthfulness, including misrepresentation, bad faith, dishonesty, incompetence, or an arrest or
7 conviction of a crime.

8 (5) A copy of the determination of the director of department of business regulation, or his
9 or her designee, shall be forwarded to the chief judge of the district court within ten (10) business
10 days.

11 (b) Nothing herein shall be construed to prohibit the chief of any court from suspending
12 the certification of a constable to serve process within his or her respective court pending the
13 outcome of an investigation consistent with the provisions of chapter 35 of title 42.

14 (c) The department is authorized to levy an administrative penalty not exceeding one
15 thousand dollars (\$1,000) for each violation for failure to comply with the provisions of this chapter
16 or with any rule or regulation promulgated by the department.

17 **9-5-10.6. Certified constables' board.**

18 (a) There shall be created a certified constables' board that shall review each applicant and
19 recommend him or her for training, conduct the oral examination of each applicant, and that shall
20 serve as a resource to ~~the chief judge and~~ the department in the consideration of the practical aspects
21 of constable practice. The board shall consist of five (5) members appointed by the governor: two
22 (2) who shall be constables in good standing who have served for at least ten (10) years, one of
23 whom shall be ~~appointed~~ recommended by the Rhode Island Constables, Inc. and one ~~appointed~~
24 recommended by the Rhode Island Constables Association; and three (3) attorneys who shall be
25 licensed to practice law by the supreme court in good standing ~~who shall be appointed by the chief~~
26 ~~judge of the district court~~. Members of the constables' board shall serve for terms of five (5) years
27 until a successor is appointed and qualified.

28 (b) A representative of the board may attend hearings in order to furnish advice to the
29 department. The board may also consult with the department of business regulation from time to
30 time on matters relating to constable certification.

31 SECTION 7. Chapter 28.10 of the General Laws entitled "Opioid Stewardship Act" is
32 hereby amended by adding thereto the following section:

33 **21-28.10-14. Transfer of powers and duties.**

1 The employee responsible for performing fiscal functions associated with the management
2 of the opioid stewardship fund within the department of health shall be transferred to the executive
3 office.

4 SECTION 8. Sections 21-28.10-1, 21-28.10-2, 21-28.10-3, 21-28.10-4, 21-28.10-5, 21-
5 28.10-6, 21-28.10-7, 21-28.10-8, 21-28.10-9, 21-28.10-10, 21-28.10-11, and 21-28.10-13 of the
6 General Laws in Chapter 28.10 entitled “Opioid Stewardship Act” are hereby amended to read as
7 follows:

8 **21-28.10-1. Definitions.**

9 Unless the context otherwise requires, the following terms shall be construed in this chapter
10 to have the following meanings:

11 ~~— (1) "Department" means the Rhode Island department of health.~~

12 ~~— (2) "Director" means the director of the Rhode Island department of health.~~

13 ~~— (3) (1) "Distribute" means distribute as defined in § 21-28-1.02.~~

14 ~~— (4) (2) "Distributor" means distributor as defined in § 21-28-1.02.~~

15 ~~— (5) (3) “Executive Office” means the executive office of health and human~~
16 services.

17 ~~— (5) (4) "Manufacture" means manufacture as defined in § 21-28-1.02.~~

18 ~~— (6) (5) "Manufacturer" means manufacturer as defined in § 21-28-1.02.~~

19 ~~— (7) (6) "Market share" means the total opioid stewardship fund amount measured~~
20 ~~as a percentage of each manufacturer's, distributor's and wholesaler's gross, in-state opioid sales in~~
21 ~~dollars from the previous calendar year as reported to the U.S. Drug Enforcement Administration~~
22 ~~(DEA) on its Automation of Reports and Consolidated Orders System (ARCOS) report.~~

23 (7) “Secretary” means the secretary of the executive office of health and human services.

24 (8) "Wholesaler" means wholesaler as defined in § 21-28-1.02.

25 **21-28.10-2. Opioid registration fee imposed on manufacturers, distributors, and**
26 **wholesalers.**

27 All manufacturers, distributors, and wholesalers licensed or registered under this title or
28 chapter 19.1 of title 5 (hereinafter referred to as "licensees"), that manufacture or distribute opioids
29 shall be required to pay an opioid registration fee. On an annual basis, the ~~director~~ secretary shall
30 certify the amount of all revenues collected from opioid registration fees and any penalties imposed,
31 to the general treasurer. The amount of revenues so certified shall be deposited annually into the
32 opioid stewardship fund restricted receipt account established pursuant to § 21-28.10-10.

33 **21-28.10-3. Determination of market share and registration fee.**

1 (1) The total opioid stewardship fund amount shall be five million dollars (\$5,000,000)
2 annually, subject to downward adjustments pursuant to § 21-28.10-7.

3 (2) Each manufacturer's, distributor's, and wholesaler's annual opioid registration fee shall
4 be based on that licensee's in-state market share.

5 (3) The following sales will not be included when determining a manufacturer's,
6 distributor's, or wholesaler's market share:

7 (i) The gross, in-state opioid sales attributed to the sale of buprenorphine or methadone;

8 (ii) The gross, in-state opioid sales sold or distributed directly to opioid treatment
9 programs, data-waivered practitioners, or hospice providers licensed pursuant to chapter 17 of title
10 23;

11 (iii) Any sales from those opioids manufactured in Rhode Island, but whose final point of
12 delivery or sale is outside of Rhode Island;

13 (iv) Any sales of anesthesia or epidurals as defined in regulation by the department; and

14 (v) Any in-state intracompany transfers of opioids between any division, affiliate,
15 subsidiary, parent, or other entity under complete and common ownership and control.

16 (4) The ~~department~~ [executive office](#) shall provide to the licensee, in writing, on or before
17 October 15, ~~2019~~ [annually](#), the licensee's market share for the ~~2018~~ [previous](#) calendar year.
18 ~~Thereafter, the~~ [The department executive office](#) shall notify the licensee, in writing, on or before
19 October 15 of each year, of its market share for the prior calendar year based on the opioids sold
20 or distributed for the prior calendar year.

21 **21-28.10-4. Reports and records.**

22 (a) Each manufacturer, distributor, and wholesaler licensed to manufacture or distribute
23 opioids in the state of Rhode Island shall provide to the ~~director~~ [secretary](#) a report detailing all
24 opioids sold or distributed by that manufacturer or distributor in the state of Rhode Island. Such
25 report shall include:

26 (1) The manufacturer's, distributor's, or wholesaler's name, address, phone number, DEA
27 registration number, and controlled substance license number issued by the department;

28 (2) The name, address, and DEA registration number of the entity to whom the opioid was
29 sold or distributed;

30 (3) The date of the sale or distribution of the opioids;

31 (4) The gross receipt total, in dollars, of all opioids sold or distributed;

32 (5) The name and National Drug Code of the opioids sold or distributed;

33 (6) The number of containers and the strength and metric quantity of controlled substance
34 in each container of the opioids sold or distributed; and

1 (7) Any other elements as deemed necessary or advisable by the ~~director~~ [secretary](#).

2 (b) Initial and future reports. This information shall be reported annually to the ~~department~~
3 [executive office](#) via ARCOS or in such other form as defined or approved by the ~~director~~ [secretary](#);
4 provided, however, that the initial report provided pursuant to subsection (a) shall consist of all
5 opioids sold or distributed in the state of Rhode Island for the 2018 calendar year, and shall be
6 submitted by September 1, 2019. Subsequent annual reports shall be submitted by April 15 of each
7 year based on the actual opioid sales and distributions of the prior calendar year.

8 **21-28.10-5. Payment of market share.**

9 The licensee shall make payments annually to the ~~department~~ [executive office](#) with the first
10 payment of its market share due on December 31, 2019; provided, that the amount due on December
11 31, 2019, shall be for the full amount of the payment for the 2018 calendar year, with subsequent
12 payments to be due and owing on the last day of every year thereafter.

13 **21-28.10-6. Rebate of market share.**

14 In any year for which the ~~director~~ [secretary](#) determines that a licensee failed to report
15 information required by this chapter, those licensees complying with this chapter shall receive a
16 reduced assessment of their market share in the following year equal to the amount in excess of any
17 overpayment in the prior payment period.

18 **21-28.10-7. Licensee opportunity to appeal.**

19 (a) A licensee shall be afforded an opportunity to submit information to the
20 ~~department~~ [secretary](#) documenting or evidencing that the market share provided to the licensee (or
21 amounts paid thereunder), pursuant to § 21-28.10-3(4), is in error or otherwise not warranted. The
22 ~~department~~ [executive office](#) may consider and examine such additional information that it
23 determines to be reasonably related to resolving the calculation of a licensee's market share, which
24 may require the licensee to provide additional materials to the ~~department~~ [executive office](#). If the
25 ~~department~~ [executive office](#) determines thereafter that all or a portion of such market share, as
26 determined by the ~~director~~ [secretary](#) pursuant to § 21-28.10-3(4), is not warranted, the ~~department~~
27 [executive office](#) may:

28 (1) Adjust the market share;

29 (2) Adjust the assessment of the market share in the following year equal to the amount in
30 excess of any overpayment in the prior payment period; or

31 (3) Refund amounts paid in error.

32 (b) Any person aggrieved by a decision of the ~~department~~ [executive office](#) relating to the
33 calculation of market share may appeal that decision to the superior court, which shall have power

1 to review such decision, and the process by which such decision was made, as prescribed in chapter
2 35 of title 42.

3 (c) A licensee shall also have the ability to appeal its assessed opioid registration fee if the
4 assessed fee amount exceeds the amount of profit the licensee obtains through sales in the state of
5 products described in § 21-28.10-3. The ~~department~~ [executive office](#) may, exercising discretion as
6 it deems appropriate, waive or decrease fees as assessed pursuant to § 21-28.10-3 if a licensee can
7 demonstrate that the correctly assessed payment will pose undue hardship to the licensee's
8 continued activities in state. The ~~department~~ [executive office](#) shall be allowed to request, and the
9 licensee shall furnish to the department, any information or supporting documentation validating
10 the licensee's request for waiver or reduction under this subsection. Fees waived under this section
11 shall not be reapportioned to other licensees which have payments due under this chapter.

12 **21-28.10-8. ~~Departmental a~~ Annual reporting.**

13 By January of each calendar year, [the department of health](#), the department of behavioral
14 healthcare, developmental disabilities and hospitals (~~BHDDH~~), the executive office ~~of health and~~
15 ~~human services~~ (~~EOHHS~~), the department of children, youth and families (~~DCYF~~), the Rhode
16 Island department of education (~~RIDE~~), the Rhode Island office of veterans services, the
17 department of corrections (~~DOC~~), the department of labor and training (~~DLT~~), and any other
18 department or agency receiving opioid stewardship funds shall report annually to the governor, the
19 speaker of the house, and the senate president which programs in their respective departments were
20 funded using monies from the opioid stewardship fund and the total amount of funds spent on each
21 program.

22 **21-28.10-9. Penalties.**

23 (a) The ~~department~~ [executive office](#) may assess a civil penalty in an amount not to exceed
24 one thousand dollars (\$1,000) per day against any licensee that fails to comply with this chapter.

25 (b) (1) In addition to any other civil penalty provided by law, where a licensee has failed
26 to pay its market share in accordance with § 21-28.10-5, the ~~department~~ [executive office](#) may also
27 assess a penalty of no less than ten percent (10%) and no greater than three hundred percent (300%)
28 of the market share due from such licensee.

29 (2) In addition to any other criminal penalty provided by law, where a licensee has failed
30 to pay its market share in accordance with § 21-28.10-5, the ~~department~~ [executive office](#) may also
31 assess a penalty of no less than ten percent (10%) and no greater than fifty percent (50%) of the
32 market share due from such licensee.

33 **21-28.10-10. Creation of opioid stewardship fund.**

1 (a) There is hereby established, in the custody of the ~~department,~~ executive office, a
2 restricted-receipt account to be known as the "opioid stewardship fund."

3 (b) Monies in the opioid stewardship fund shall be kept separate and shall not be
4 commingled with any other monies in the custody of the ~~department~~executive office.

5 (c) The opioid stewardship fund shall consist of monies appropriated for the purpose of
6 such account; monies transferred to such account pursuant to law; contributions consisting of
7 promises or grants of any money or property of any kind or value, or any other thing of value,
8 including grants or other financial assistance from any agency of government; and monies required
9 by the provisions of this chapter or any other law to be paid into or credited to this account.

10 (d) Monies of the opioid stewardship fund shall be available to provide opioid treatment,
11 recovery, prevention, education services, and other related programs, subject to appropriation by
12 the general assembly.

13 (e) The budget officer is hereby authorized to create restricted receipt accounts entitled
14 "opioid stewardship fund allocation" in any department or agency of state government wherein
15 monies from the opioid stewardship fund are appropriated by the general assembly for the
16 programmatic purposes set forth in subsection (d) of this section.

17 **21-28.10-11. Allocation.**

18 The monies, when allocated, shall be paid out of the opioid stewardship fund and subject
19 to the approval of the ~~director~~ secretary and the approval~~s~~ of the director~~s~~ of the department~~s~~ of
20 health and behavioral healthcare, developmental disabilities and hospitals (~~BHDDH~~), pursuant to
21 the provisions of this chapter.

22 **21-28.10-13. Rules and regulations.**

23 The ~~director~~ secretary may prescribe rules and regulations, not inconsistent with law, to
24 carry into effect the provisions of this chapter 28.10 of title 21, which rules and regulations, when
25 reasonably designed to carry out the intent and purpose of this chapter, are prima facie evidence of
26 its proper interpretation. Such rules and regulations may be amended, suspended, or revoked, from
27 time to time and in whole or in part, by the ~~director~~ secretary. The ~~director~~ secretary may prescribe,
28 and may furnish, any forms necessary or advisable for the administration of this chapter.

29 SECTION 9. Section 23-24.12-3 of the General Laws in Chapter 23-24.12 entitled "Proper
30 Management of Unused Paint" is hereby amended to read as follows:

31 **23-24.12-3. Establishment of paint stewardship program.**

32 (a) On or before March 1, 2014, each producer shall join the representative organization
33 and such representative organization shall submit a plan for the establishment of a paint stewardship
34 program to the department for approval. The program shall minimize the public sector involvement

1 in the management of post-consumer paint by reducing the generation of post-consumer paint,
2 negotiating agreements to collect, transport, reuse, recycle, and/or burn for energy recovery at an
3 appropriately licensed facility post-consumer paint using environmentally sound management
4 practices.

5 (b) The program shall also provide for convenient and available state-wide collection of
6 post-consumer paint that, at a minimum, provides for collection rates and convenience greater than
7 the collection programs available to consumers prior to such paint stewardship program; propose a
8 paint stewardship assessment; include a funding mechanism that requires each producer who
9 participates in the representative organization to remit to the representative organization payment
10 of the paint stewardship assessment for each container of architectural paint sold within the state;
11 include an education and outreach program to help ensure the success of the program; and, work
12 with the department and Rhode Island commerce corporation to identify ways in which the state
13 can motivate local infrastructure investment, business development and job creation related to the
14 collection, transportation and processing of post-consumer paint.

15 (c) The plan submitted to the department pursuant to this section shall:

16 (1) Identify each producer participating in the paint stewardship program and the brands
17 of architectural paint sold in this state covered by the program;

18 (2) Identify how the representative organization will provide convenient, statewide
19 accessibility to the program;

20 (3) Set forth the process by which an independent auditor will be selected and identify
21 the criteria used by the representative organization in selecting independent auditor;

22 (4) Identify, in detail, the educational and outreach program that will be implemented to
23 inform consumers and retailers of the program and how to participate;

24 (5) Identify the methods and procedures under which the paint stewardship program will
25 be coordinated with the Rhode Island resource recovery corporation;

26 (6) Identify, in detail, the operational plans for interacting with retailers on the proper
27 handling and management of post-consumer paint;

28 (7) Include the proposed, audited paint assessment as identified in this section;

29 (8) Include the targeted annual collection rate;

30 (9) Include a description of the intended treatment, storage, transportation and disposal
31 options and methods for the collected post-consumer paint; and

32 (10) Be accompanied by a fee in the amount of two thousand five hundred dollars
33 (\$2,500) to be deposited into the environmental response fund to cover the review of said plan by
34 the department.

1 (d) ~~(1)~~ Not later than sixty (60) days after submission of a plan pursuant to this section,
2 the department shall make a determination whether to:

3 ~~(i)~~ Approve the plan as submitted;

4 ~~(ii)~~ Approve the plan with conditions; or

5 ~~(iii)~~ Deny the plan.

6 (2) If the department chooses to deny the plan, the department shall inform the
7 representative organization, in writing, of the reasons for the denial. The representative
8 organization shall then submit a revised plan for review by the department that takes into
9 consideration the reasons for the initial denial.

10 (e) Not later than three (3) months after the date the plan is approved, the representative
11 organization shall implement the paint stewardship program.

12 (f) On or before March 1, 2014, the representative organization shall propose a uniform
13 paint stewardship assessment for all architectural paint sold in this state. Such proposed paint
14 stewardship assessment shall be reviewed by an independent auditor to assure that such assessment
15 is consistent with the budget of the paint stewardship program described in this section and such
16 independent auditor shall recommend an amount for such paint stewardship assessment to the
17 department. The department shall be responsible for the approval of such paint stewardship
18 assessment based upon the independent auditor's recommendation. If the paint stewardship
19 assessment previously approved by the department pursuant to this section is proposed to be
20 changed, the representative organization shall submit the new, adjusted uniform paint stewardship
21 assessment to an independent auditor for review. After such review has been completed, the
22 representative organization shall submit the results of said auditor's review and a proposal to amend
23 the paint stewardship assessment to the department for review. The department shall review and
24 approve, in writing, the adjusted paint stewardship assessment before the new assessment can be
25 implemented. Any proposed changes to the paint stewardship assessment shall be submitted to the
26 department no later than sixty (60) days prior to the date the representative organization anticipates
27 the adjusted assessment to take effect.

28 (g) On and after the date of implementation of the paint stewardship program pursuant to
29 this section, the paint stewardship assessment shall be added to the cost of all architectural paint
30 sold to retailers and distributors in this state by each producer. On and after such implementation
31 date, each retailer or distributor, as applicable, shall add the amount of such paint stewardship
32 assessment to the purchase price of all architectural paint sold in this state.

1 (h) Any retailer may participate, on a voluntary basis, as a paint collection point pursuant
2 to such paint stewardship program and in accordance with any applicable provision of law or
3 regulation.

4 (i) Each producer and the representative organization shall be immune from liability for
5 any claim of a violation of antitrust law or unfair trade practice if such conduct is a violation of
6 antitrust law, to the extent such producer or representative organization is exercising authority
7 pursuant to the provisions of this section.

8 (j) Not later than the implementation date of the paint stewardship program, the
9 department shall list the names of participating producers the brands of architectural paint covered
10 by such paint stewardship program and the cost of the approved paint stewardship assessment on
11 its website.

12 (k) (1) On and after the implementation date of the paint stewardship program, no
13 producer, distributor or retailer shall sell or offer for sale architectural paint to any person in this
14 state if the producer of such architectural paint is not a member of the representative organization.

15 (2) No retailer or distributor shall be found to be in violation of the provisions of this
16 section if, on the date the architectural paint was ordered from the producer or its agent, the
17 producer or the subject brand of architectural paint was listed on the department's website in
18 accordance with the provisions of this section.

19 (l) Producers or the representative organization shall provide retailers with educational
20 materials regarding the paint stewardship assessment and paint stewardship program to be
21 distributed at the point of sale to the consumer. Such materials shall include, but not be limited to,
22 information regarding available end-of-life management options for architectural paint offered
23 through the paint stewardship program and information that notifies consumers that a charge for
24 the operation of such paint stewardship program is included in the purchase price of all architectural
25 paint sold in this state.

26 (m) On or before October 15, 2015, and annually thereafter, the representative organization
27 shall submit a report to the director of the department of environmental management that details
28 the paint stewardship program. Said report shall include a copy of the independent audit detailed
29 in subdivision (4) below. Such annual report shall include, but not be limited to:

30 (1) A detailed description of the methods used to collect, transport and process post-
31 consumer paint in this state;

32 (2) The overall volume of post-consumer paint collected in this state;

33 (3) The volume and type of post-consumer paint collected in this state by method of
34 disposition, including reuse, recycling and other methods of processing or disposal;

1 (4) The total cost of implementing the program, as determined by an independent financial
2 audit, as performed by an independent auditor;

3 (5) An evaluation of the adequacy of the program's funding mechanism;

4 (6) Samples of all educational materials provided to consumers of architectural paint and
5 participating retailers; and

6 (7) A detailed list of efforts undertaken and an evaluation of the methods used to
7 disseminate such materials including recommendations, if any, for how the educational component
8 of the program can be improved.

9 (n) The representative organization shall update the plan, as needed, when there are
10 changes proposed to the current program. A new plan or amendment will be required to be
11 submitted to the department for approval when:

12 (1) There is a change to the amount of the assessment; or

13 (2) There is an addition to the products covered under the program; or

14 (3) There is a revision of the product stewardship organization's goals: or

15 (4) Every four (4) years, if requested, in writing, by the department the representative
16 organization shall notify the department annually, in writing, if there are no changes proposed to
17 the program and the representative organization intends to continue implementation of the program
18 as previously approved by the department.

19 (o) The representative organization may maintain a reserve fund to protect against volatility
20 in the collection of the paint stewardship assessment and funded using the paint stewardship
21 assessment provided that the reserve fund shall not exceed an amount equal to 50 percent of the
22 total cost to administer the paint stewardship program during the previous program year. Any
23 proposal to establish or otherwise maintain a reserve fund shall be included in the plan submitted
24 to the department pursuant to § 23-24.12-3 and shall be subject to the approval of the department.
25 If, at the time this section takes effect, the reserve fund exceeds 50 percent, the representative
26 organization shall utilize the excess reserves on interim program activities, as approved by the
27 department, within two years of the effective date of this section. Thereafter, the representative
28 organization shall not propose a paint stewardship assessment that will cause the reserve fund to
29 exceed the level specified in this subsection.

30 (p) Any program funds to be used for program administrative expenses by the
31 representative organization shall be subject to approval by the department.

32 SECTION 10. Sections 23-26-7.1, 23-26-11, 23-26-12, 23-26-13, 23-26-15, 23-26-25, 23-
33 26-26, 23-26-27, 23-26-30 and 23-26-31 of the General Laws in Chapter 23-26 entitled "Bedding
34 and Upholstered Furniture" are hereby amended to read as follows:

1 **23-26-7.1. Sterilization, disinfection and disinfestation of bedding and materials.**

2 (a) No person shall sell, offer for sale or include in a sale any item of secondhand bedding
3 or any item of bedding of any type manufactured in whole or in part from secondhand material,
4 including their component parts or wiping rags, unless such material has been sterilized, disinfected
5 and cleaned, by a method approved by the department of business regulation; provided, further,
6 that any product used for sterilization or disinfection of secondhand bedding must be registered
7 as consumer and health benefit products and labeled for use on bedding and upholstered furniture
8 by the EPA in accordance with § 23-25-6 of this title. The department of business regulation
9 shall promulgate rules and regulations consistent with the provisions of this chapter.

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

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

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

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

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

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

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

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

31 **23-26-11. ~~Counterfeit stamps and permits~~ Counterfeit stamps and registrations.**

32 No person shall have in his or her possession or shall make, use, or sell any counterfeit
33 or colorable imitation of the inspection stamp or ~~permit~~ [registration](#) required by this chapter.
34 Each counterfeited or imitated stamp or ~~permit~~ [registration](#) made, used, sold, offered for sale,

1 delivered, or consigned for sale contrary to the provisions of this chapter shall constitute a separate
2 offense.

3 **23-26-12. Sterilization permits Sterilization registrations.**

4 Any sterilization process, before being used in connection with this chapter, must
5 receive the approval of the director. Every person, firm, or corporation desiring to operate the
6 sterilization process shall first obtain a numbered ~~permit~~ registration from the director and shall not
7 operate the process unless the ~~permit~~ registration is kept conspicuously posted in the
8 establishment. Fee for original ~~permit~~ registration shall be eighty-four dollars (\$84.00).
9 Application for the ~~permit~~ registration shall be accompanied by specifications in duplicate, in
10 such form as the director shall require. Each ~~permit~~ registration shall expire one year from date of
11 issue. Fee for annual renewal of a sterilizing ~~permit~~ registration shall be one-half (1/2) the original
12 fee.

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

14 Every article of bedding made for sale, sold, or offered for sale shall have attached thereto a
15 tag which shall state the name of the material used, that the material used is new, or second-
16 hand and, when required to be sterilized, that the material has been sterilized, and the number
17 of the sterilizing ~~permit~~ registration. The tag shall also contain the name and address of the maker
18 or the vendor and the registry number of the maker. All tags attached to new articles shall be
19 legibly stamped or marked by the retail vendor with the date of delivery to the customer.

20 **23-26-15. Contents of tag on shipments of filling material.**

21 Any shipment or delivery, however contained, of material used for filling articles
22 of bedding shall have firmly and conspicuously attached thereto a tag which shall state the name
23 of the maker, preparer or vendor, and the address of the maker, preparer, or vendor, the name of
24 the contents and whether the contents are new or second-hand, and, if sterilized, the number of
25 the sterilizing ~~permit~~ registration.

26 **23-26-25. ~~Rules, regulations, and findings~~ — ~~Suspension or revocation of permits~~**
27 **Rules, regulations, and findings -- Suspension or revocation of registrations.**

28 (a) The director is hereby authorized and empowered to make general rules and
29 regulations and specific rulings, demands, and findings for the enforcement of this chapter, in
30 addition hereto and not inconsistent herewith. The director may suspend or revoke any ~~permit or~~
31 registration for violation of any provision of this chapter, or any rule, regulation, ruling, or demand
32 made pursuant to the authority granted by this chapter. (b) The director of the department of health
33 shall investigate and enforce the provisions of § 23-26-3.1, and promulgate rules and regulations
34 deemed necessary to enforce it.

1 23-26-26. Appeal of director's decisions.

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

6 23-26-27. Penalty for violations.

7 Any person who:

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

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

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

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

22 ~~23-26-30. License required -- Application -- Issuance and term of license~~
23 Registration required -- Application -- Issuance and term of registration.

24 No person shall be engaged: (1) as a manufacturer of articles of bedding for sale
25 at wholesale; (2) as a manufacturer of articles of bedding for sale at retail; (3) as a supply dealer;
26 (4) as a repairer-renovator; or (5) as a retailer of second-hand articles of bedding, unless he or she
27 has obtained the appropriate numbered ~~license~~ registration therefor from the director, who is
28 hereby empowered to issue the ~~license~~ registration. Application for the ~~license~~ registration shall be
29 made on forms provided by the director and shall contain such information as the director may
30 deem material and necessary. Based on the information furnished in the application and on
31 any investigation deemed necessary by the director, the applicant's classification shall be
32 determined. Each ~~license~~ registration issued by the director pursuant to this section shall be
33 conspicuously posted in the establishment of the person to whom issued. The director may withhold
34 the issuance of a ~~license~~ registration to any person who shall make any false statement in the

1 application for a [license registration](#) under this chapter. The director shall promulgate rules
2 and regulations mandating the term of [license registration](#) for each category of [license registration](#)
3 issued pursuant to this chapter; however, no [license registration](#) shall remain in force for a period in
4 excess of three (3) years. The fee for the initial issuance or renewal of a [license registration](#) shall be
5 determined by multiplying the per annum fee by the number of years in the term of the [license](#)
6 [registration](#). The entire fee ~~must~~ [shall](#) be paid in full for the total number of years of [license](#)
7 [registration](#) prior to the issuance of the [license registration](#).

8 [23-26-31. Fees.](#)

9 (a) The per annum fees imposed for [licenses registrations](#) issued pursuant to § 23-26-
10 30 shall be as follows:

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

15 (i) Manufacture of articles of bedding for sale at wholesale;

16 (ii) Manufacture of articles of bedding for sale at retail;

17 (iii) Supply dealer;

18 (iv) Repairer-renovator.

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

22 (i) Repairer-renovator;

23 (ii) Retailer of second-hand articles of bedding; provided, however, that if a
24 [licensee registrant](#) is reclassified from one category to another which calls for a higher [license](#)
25 [registration](#) fee, he or she shall pay a pro rata share of the higher [license registration](#) fee for the
26 unexpired period and shall be issued a new [license registration](#) to expire on the expiration date of
27 the original [license registration](#).

28 (b) If, through error, a [licensee registrant](#) has been improperly classified as of the date
29 of issue of his or her current [license registration](#), the proper fee for the entire period shall be
30 payable. Any overpayment shall be refunded to the [licensee registrant](#). No refunds shall be allowed
31 to any [licensee registrant](#) who has discontinued business, or whose [license registration](#) has been
32 revoked or suspended or who has been reclassified to a category calling for a greater or lesser
33 [license registration](#) fee, except as provided herein. The fee shall be paid to the director of

1 business regulation. For reissuing a revoked or expired ~~license~~ [registration](#) the fee shall be the
2 same as for an original ~~license~~ [registration](#).

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

6 SECTION 11. Sections 23-90-4, 23-90-5 and 23-90-6 of the General Laws in Chapter 23-
7 90 entitled " Responsible Recycling, Reuse and Disposal of Mattresses" are hereby amended to
8 read as follows:

9 **23-90-4. Mattress stewardship council established.**

10 (a) On or before July 1, 2015, each producer shall join the council and such council shall
11 submit a plan, for the corporation director's approval, to establish a statewide mattress stewardship
12 program, as described in this section. Any retailer may be a member of such council. Such mattress
13 stewardship program shall, to the extent it is technologically feasible and economically practical:

14 (1) Minimize public sector involvement in the management of discarded mattresses;

15 (2) Provide for the convenient and accessible statewide collection of discarded mattresses
16 from any person in the state with a discarded mattress that was discarded in the state, including
17 from participating covered entities that accumulated and segregated a minimum of fifty (50)
18 discarded mattresses for collection at one time, or a minimum of thirty (30) discarded mattresses
19 for collection at one time in the case of participating municipal transfer stations;

20 (3) Provide for council-financed recycling and disposal of discarded mattresses;

21 (4) Provide suitable storage containers at permitted municipal transfer stations, municipal
22 government property or other solid waste management facilities for segregated, discarded
23 mattresses, or make other mutually agreeable storage and transportation agreements at no cost to
24 such municipality provided the municipal transfer station, municipal government property or other
25 solid waste management facilities make space available for such purpose and imposes no fee for
26 placement of such storage container on its premises;

27 (5) Include a uniform mattress stewardship fee, [with approval of the corporation](#), that is
28 sufficient to cover the costs of operating and administering the program; and

29 (6) Establish a financial incentive that provides for the payment of a monetary sum,
30 established by the council, to promote the recovery of mattresses.

31 (b) The council shall be a nonprofit organization with a fee structure that covers, but does
32 not exceed, the costs of developing the plan and operating and administering the program in
33 accordance with the requirements of this chapter, and maintaining a financial reserve sufficient to
34 operate the program over a multi-year period of time in a fiscally prudent and responsible manner.

1 The council shall maintain all records relating to the program for a period of not less than three (3)
2 years.

3 (c) Pursuant to the program, recycling shall be preferred over any other disposal method to
4 the extent that recycling is technologically feasible and economically practical.

5 (d) The council shall enter into an agreement with the corporation to reimburse for
6 reasonable costs directly related to administering the program but not to exceed the cost of two (2)
7 full time equivalent employees.

8 **23-90-5. Mattress stewardship plan.**

9 (a) On or before July 1, 2015, the mattress stewardship council shall submit a mattress
10 stewardship plan for the establishment of a mattress stewardship program to the corporation
11 director for approval.

12 (b) The plan submitted pursuant to subsection (a) of this section shall, to the extent it is
13 technologically feasible and economically practical:

14 (1) Identify each producer's participation in the program;

15 (2) Describe the fee structure for the program and propose a uniform stewardship fee that
16 is sufficient to cover the costs of operating and administering the program;

17 (3) Establish performance goals for the first two (2) years of the program;

18 (4) Identify proposed recycling facilities to be used by the program, such facilities shall not
19 require a solid waste management facilities license;

20 (5) Detail how the program will promote the recycling of discarded mattresses;

21 (6) Include a description of the public education program;

22 (7) Describe fee-disclosure language that retailers will be required to prominently display
23 that will inform consumers of the amount and purpose of the fee; and

24 (8) Identify the methods and procedures to facilitate implementation of the mattress
25 stewardship program in coordination with the corporation director and municipalities.

26 (c) Not later than ninety (90) days after submission of the plan pursuant to this section, the
27 corporation shall make a determination whether to:

28 (1) Approve the plan as submitted; or

29 (2) Deny the plan.

30 (d) The corporation director shall approve the plan for the establishment of the mattress
31 stewardship program, provided such plan reasonably meets the requirements of this section. Prior
32 to making such determination, the corporation director shall post the plan for at least thirty (30)
33 days, in accordance with the "Administrative Procedures Act" as set forth in chapter 35 of title 42
34 on the corporation's website and solicit public comments on the plan to be posted on the website.

1 (e) In the event that the corporation director denies the plan, the corporation director shall
2 provide a notice of determination to the council, within sixty (60) days, detailing the reasons for
3 the disapproval. The council shall revise and resubmit the plan to the corporation director not later
4 than forty-five (45) days after receipt of notice of the corporation director's denial notice. Not later
5 than forty-five (45) days after receipt of the revised plan, the corporation director shall review and
6 approve or deny the revised plan. The council may resubmit a revised plan to the corporation
7 director for approval on not more than two (2) occasions. If the council fails to submit a plan that
8 is acceptable to the corporation director, because it does not meet the criteria pursuant to
9 subdivisions (b)(1-8), the corporation director shall have the ability to modify the submitted plan
10 and approve it. Not later than one hundred twenty (120) days after the approval of a plan pursuant
11 to this section, the council shall implement the mattress stewardship program.

12 (f) It is the responsibility of the council to:

13 (1) Notify the corporation director whenever there is a proposed substantial change to the
14 program. If the corporation director takes no action on a proposed substantial change within ninety
15 (90) days after notification of the proposed change, the proposed change shall be deemed approved.

16 For the purposes of this subdivision, "substantial change" shall include, but not be limited to:

17 (i) A change in the processing facilities to be used for discarded mattresses collected
18 pursuant to the program; or

19 (ii) A material change to the system for collecting mattresses.

20 (2) Not later than October 1, 2017, the council shall submit to the corporation director for
21 review, updated performance goals that are based on the experience of the program during
22 the first two (2) years of the program.

23 (g) The council shall notify the corporation director of any other changes to the program
24 on an ongoing basis, whenever they occur, without resubmission of the plan to the
25 corporation director for approval. Such changes shall include, but not be limited to, a change in the
26 composition, officers, or contact information of the council.

27 (h) On or before July 1, 2015, and every two (2) years thereafter, the council shall propose
28 a uniform fee for all mattresses sold in this state. The council may propose a change to the uniform
29 fee more frequently than once every two (2) years if the council determines such change is needed
30 to avoid funding shortfalls or excesses. Any proposed fee shall be reviewed by an independent
31 auditor to ensure that such assessment does not exceed the costs of the mattress stewardship
32 program described in subsection (b) of this section and to maintain financial reserves sufficient to
33 operate the program over a multi-year period in a fiscally prudent and responsible manner. Not
34 later than sixty (60) days after the council proposes a mattress stewardship fee, the auditor shall

1 ~~render an opinion~~ provide an evaluation of the proposed fee to the corporation director ~~as to whether~~
2 ~~the proposed mattress stewardship fee is reasonable to achieve the goals set forth in this section.~~
3 Copies of all documents related to the auditor's evaluation, along with the financial information
4 provided by the council, shall be filed with the corporation and considered public documents
5 pursuant to chapter 2 of title 38 ("Access to Public Records"). If the ~~auditor~~ corporation director
6 concludes that the mattress stewardship fee is reasonable, then the proposed fee shall go into effect
7 not less than ninety (90) days after the ~~auditor~~ corporation director notifies the ~~corporation director~~
8 council that the fee is reasonable. If the ~~auditor~~ corporation director concludes that the mattress
9 stewardship fee is not reasonable, the ~~auditor~~ corporation director shall provide the council with
10 written notice explaining the ~~auditor~~ corporation director's opinion. Not later than fourteen (14)
11 days after the council's receipt of the ~~auditor~~ corporation director's opinion, the council may either
12 propose a new mattress stewardship fee, or provide written comments on the ~~auditor~~ corporation
13 director's opinion. ~~If the auditor concludes that the fee is not reasonable, the corporation director~~
14 ~~shall decide, based on the auditor's opinion and any comments provided by the council, whether to~~
15 ~~approve the proposed mattress stewardship fee.~~ Such auditor shall be selected by the council. The
16 cost of any work performed by such auditor pursuant to the provisions of this subsection and
17 subsection (i) of this section shall be funded by the council.

18 (i)(1) On and after the implementation of the mattress stewardship program, each retailer
19 shall add the amount of the fee established pursuant to subsection (b) of this section and described
20 in subsection (h) of this section to the purchase price of all mattresses sold in this state. The fee
21 shall be remitted by the retailer to the council. The council may, subject to the corporation director's
22 approval, establish an alternative, practicable means of collecting or remitting such fee.

23 (2) On and after the implementation date of the mattress stewardship program, no producer,
24 distributor or retailer shall sell or offer for sale a mattress to any person in the state if the producer
25 is not a member of the council.

26 (3) No retailer or distributor shall be found to be in violation of the provisions of this
27 section, if, on the date the mattress was ordered from the producer or its agent, the producer of said
28 mattress was listed on the corporation's website in accordance with the provisions of this chapter.

29 (j) Not later than October 1, 2016, and annually thereafter, the council shall submit an
30 annual report to the corporation director. The corporation director shall post such annual report on
31 the corporation's website. Such report shall include, but not be limited to:

- 32 (1) The weight of mattresses collected pursuant to the program from:
- 33 (i) Municipal and/or transfer stations;
 - 34 (ii) Retailers; and

- 1 (iii) All other covered entities;
- 2 (2) The weight of mattresses diverted for recycling;
- 3 (3) Identification of the mattress recycling facilities to which mattresses were delivered for
4 recycling;
- 5 (4) The weight of discarded mattresses recycled, as indicated by the weight of each of the
6 commodities sold to secondary markets;
- 7 (5) The weight of mattresses, or parts thereof, sent for disposal at each of the following:
- 8 (i) Rhode Island resource recovery corporation; and
- 9 (ii) Any other facilities;
- 10 (6) Samples of public education materials and methods used to support the program;
- 11 (7) A description of efforts undertaken and evaluation of the methods used to
12 disseminate such materials;
- 13 (8) Updated performance goals and an evaluation of the effectiveness of the methods
14 and processes used to achieve performance goals of the program; and
- 15 (9) Recommendations for any changes to the program.
- 16 (k) Two (2) years after the implementation of the program and upon the request of the
17 corporation director, but not more frequently than once a year, the council shall cause an audit of
18 the program to be conducted by the auditor described in subsection (h) of this section. Such audit
19 shall review the accuracy of the council's data concerning the program and provide any other
20 information requested by the corporation director. Such audit shall be paid for by the council. The
21 council shall maintain all records relating to the program for not less than three (3) years.
- 22 (l) No covered entity that participates in the program shall charge for receipt of mattresses
23 generated in the state. Covered entities may charge a fee for providing the service of collecting
24 mattresses and may restrict the acceptance of mattresses by number, source or physical condition.
- 25 (m) Covered entities that, upon the date of this act's passage, have an existing program for
26 recycling discarded mattresses may continue to operate such program without coordination of the
27 council, so long as the entities are able to demonstrate, in writing, to the corporation director that
28 the facilities to which discarded mattresses are delivered are engaged in the business of recycling
29 said mattresses and the corporation director approves the written affirmation that the facility
30 engages in mattress recycling of mattresses received by the covered entity. A copy of the written
31 affirmation and the corporation's approval shall be provided to the council by the corporation
32 director in a timely manner.

33 **23-90-6. Responsibilities of the Rhode Island resource recovery corporation.**

- 34 (a) The corporation shall review for approval the mattress stewardship plan of the council.

1 (b) The corporation shall maintain on its website information on collection opportunities
2 for mattresses, including collection site locations. The information must be made available in a
3 printable format for retailers and consumers.

4 (c) Not later than the implementation date of the mattress stewardship program, the
5 corporation shall list the names of participating producers covered by the program and the cost of
6 the approved mattress stewardship fee on its website.

7 (d) The corporation shall approve the mattress stewardship fee to be applied by the council
8 to mattresses pursuant to ~~this chapter~~ § 23-90-5(h).

9 (e) Pursuant to § 23-90-11, the corporation shall report biennially to the general assembly
10 on the operation of the statewide system for collection, transportation and recycling of mattresses.

11 SECTION 12. Section 36-4-16.4 of the General Laws in Chapter 36-4 entitled "Merit
12 System" is hereby amended to read as follows:

13 **36-4-16.4. Salaries of directors.**

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

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

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

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

33 (e) Notwithstanding the provisions of this section, for 2015 only, the time period for the
34 department of administration to conduct the public hearing shall be extended to July and the

1 proposed salaries shall be referred to the general assembly by August 30. The salaries may take
2 effect before next year, but all other provisions of this section shall apply.

3 (f) Notwithstanding the provisions of this section or any law to the contrary, for 2017 only,
4 the salaries of the director of the department of transportation, the secretary of health and human
5 services, and the director of administration shall be determined by the governor.

6 (g) Notwithstanding the provisions of this section or any law to the contrary, for ~~2021~~ 2022
7 only, the salary of the director of the department of children, youth and families shall be determined
8 by the governor.

9 SECTION 13. Chapter 41-5.2 of the General Laws entitled "Mixed Martial Arts" is
10 hereby amended by adding thereto the following section:

11 **41-5.2-30. Fees of officials.**

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

15 SECTION 14. Section 41-5.2-2 of the General Laws in Chapter 41-5.2 entitled "Mixed
16 Martial Arts" is hereby amended to read as follows:

17 ~~41-5.2-2. License required for mixed-martial-arts exhibitions~~ License required for
18 mixed-martial-arts exhibitions -- Amateur exhibitions exempt.

19 Except as provided in subsection (b) of this section, no ~~No~~ mixed-martial-arts match
20 or exhibition for a prize or a purse, or at which an admission fee is charged, either directly
21 or indirectly, in the form of dues or otherwise, shall take place or be conducted in this state
22 unless licensed by the division of gaming and athletics licensing in accordance with this chapter.

23 (b) The provisions of this section shall not apply to any mixed-martial-arts match
24 or exhibition in which the contestants are amateurs and that is conducted under the supervision
25 and control of:

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

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

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

34 SECTION 15. This article shall take effect upon passage.

1 **ARTICLE 4**

2 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

3 SECTION 1. This Article shall serve as joint resolution required pursuant to Rhode Island
4 Laws § 35-18-1, *et seq.*

5 SECTION 2. *University of Rhode Island – Facilities Service Sector Upgrade.*

6 WHEREAS, the University of Rhode Island Board of Trustees and the University of Rhode
7 Island are proposing a project which involves the design and construction to enhance and
8 reorganize the facilities within the service sector for more efficient and effective operations;

9 WHEREAS, the University has engaged qualified architectural and engineering firms to
10 perform master planning for this purpose;

11 WHEREAS, in the last few decades, the University has made significant improvements to
12 the campus infrastructure and building inventory that house academic functions, student activities,
13 and athletic events for the University’s faculty and students;

14 WHEREAS, it is in the best interest of the State, University, and the students and faculty
15 to have these improvements maintained and repaired;

16 WHEREAS, the University’s facilities group has the responsibility for maintenance and
17 repair of these 5.8 million square feet, comprising approximately 25% of the State’s real estate
18 portfolio;

19 WHEREAS, the buildings housing the facilities group were built in the 1950s through
20 1970s, have passed the end of their 40-year useful life, and are in need of substantial capital renewal
21 or replacement;

22 WHEREAS, such improvements to the facilities group’s buildings are necessary to allow
23 for the ongoing support of the campus; and

24 WHEREAS, the total project cost associated with completion of this phase of the project
25 and proposed financing method is thirteen million dollars (\$13,000,000), including cost of issuance,
26 debt service payments would be supported by revenues derived from the University’s unrestricted
27 general revenues, and total debt service on the bonds is not expected to exceed one million one
28 hundred fifty thousand dollars (\$1,150,000) annually and twenty-three million dollars
29 (\$23,000,000) in the aggregate based on an average interest rate of five (6%) percent; now,
30 therefore be it

31 RESOLVED, that this General Assembly hereby approves financing in an amount not to
32 exceed thirteen million dollars (\$13,000,000) for the facilities service sector upgrade project at the
33 University of Rhode Island; and be it further

1 RESOLVED, that, this Joint Resolution shall take effect upon passage by this General
2 Assembly.

3 SECTION 3. *University of Rhode Island – Utility Infrastructure Upgrade Phase II.*

4 WHEREAS, the University of Rhode Island Board of Trustees and the University of Rhode
5 Island are proposing a project which involves the engineering and construction of upgrades and
6 component replacements to five municipal-level Kingston Campus utility systems;

7 WHEREAS, the University has engaged qualified engineering firms to examine its major
8 infrastructure systems;

9 WHEREAS, based on the condition and capabilities of these systems, the studies have
10 concluded that replacement of components and reconfiguration was advisable for each of these
11 extensive systems to ensure necessary steam, water, sanitary, and electrical support for the
12 University’s campuses for the next 20-40 years;

13 WHEREAS, the University has also developed the required Storm Water Management
14 Plan for the Kingston Campus, which provides guidelines that are being incorporated into new
15 building projects under development and are driving stand-alone storm water infrastructure projects
16 as well;

17 WHEREAS, the University has successfully completed many extremely important
18 individual utility infrastructure projects in its continuing progression of work to upgrade and
19 replace infrastructure systems but now needs additional investments beyond annual capital
20 resources;

21 WHEREAS, this project is the second phase in a phased implementation plan to upgrade
22 and improve the reliability of infrastructure on the University of Rhode Island’s campuses; and

23 WHEREAS, the total project cost associated with completion of this phase of the project
24 and proposed financing method is fifteen million four hundred fifty thousand dollars (\$15,450,000),
25 including cost of issuance, debt service payments would be supported by revenues derived from
26 the University’s unrestricted general revenues, and total debt service on the bonds is not expected
27 to exceed one million three hundred fifty thousand dollars (\$1,350,000) annually and twenty-seven
28 million dollars (\$27,000,000) in the aggregate based on an average interest rate of five (6%)
29 percent; now, therefore be it

30 RESOLVED, that this General Assembly hereby approves financing in an amount not to
31 exceed fifteen million four hundred fifty thousand dollars (\$15,450,000) for the Utility
32 Infrastructure Upgrade Phase II project at the University of Rhode Island; and be it further

33 RESOLVED, that this Joint Resolution shall take effect upon passage by this General
34 Assembly.

1 **ARTICLE 5**

2 **RELATING TO CAPITAL DEVELOPMENT PROGRAM**

3 **SECTION 1. Proposition to be submitted to the people.**

4 At the general election to be held on the Tuesday next after the first Monday in November
5 2022, there shall be submitted to the people ("People") of the State of Rhode Island ("State"), for
6 their approval or rejection, the following proposition:

7 "Shall the action of the general assembly, by an act passed at the January 2022 session,
8 authorizing the issuance of bonds, refunding bonds, and temporary notes of the State of Rhode
9 Island for the capital projects and in the amount with respect to each such project listed below be
10 approved, and the issuance of bonds, refunding bonds, and temporary notes authorized in
11 accordance with the provisions of said act?"

12 **Project**

13 (1) Higher Education Facilities \$62,000,000

14 Approval of this question will allow the State of Rhode Island to issue general obligation
15 bonds, refunding bonds, and/or temporary notes in an amount not to exceed sixty-two million
16 dollars (\$62,000,000) for capital improvements to higher education facilities, to be allocated as
17 follows:

18 (a) University of Rhode Island Narragansett Bay Campus \$50,000,000

19 Provides fifty million dollars (\$50,000,000) to fund repairs and construct new facilities on
20 the University of Rhode Island's Narragansett Bay Campus in support of the educational and
21 research needs for the marine disciplines.

22 (b) Community College of Rhode Island Renovation and Modernization \$12,000,000

23 Provides twelve million dollars (\$12,000,000) to fund restoration and enhancement of
24 academic and student support spaces and other infrastructure on the four campuses of the
25 Community College of Rhode Island (CCRI). Funds will go towards modernizing and renovating
26 facilities, addressing repairs, improving safety and energy efficiency, and replacing outdated
27 technology and equipment used for teaching and learning.

28 (2) Rhode Island School Buildings \$250,000,000

29 Approval of this question will allow the state of Rhode Island to issue general obligation
30 bonds, refunding bonds, and/or temporary notes in an amount not to exceed two-hundred-fifty
31 million dollars (\$250,000,000). Of this total, two-hundred million dollars (\$200,000,000) would
32 provide direct funding for school construction projects, such as the construction of new school
33 facilities and the rehabilitation of existing school facilities. Fifty million (\$50,000,000) would fund
34 the school building authority capital fund enabling projects that address high priority school

1 building needs including upgraded lighting, heating, and ventilation systems to help create facility
2 equity between Rhode Island students.

3 (3) Green Bond Economy Bonds \$38,000,000

4 Approval of this question will allow the State of Rhode Island to issue general obligation
5 bonds, refunding bonds, and/or temporary notes in an amount not to exceed thirty-eight million
6 dollars (\$38,000,000) for environmental and recreational purposes, to be allocated as follows:

7 (a) Municipal Resiliency \$16,000,000

8 Provides sixteen million dollars (\$16,000,000) for up to seventy-five percent (75%)
9 matching grants to municipalities for restoring and/or improving resiliency of infrastructure,
10 vulnerable coastal habitats, and restoring rivers and stream floodplains. These funds are expected
11 to leverage significant matching funds to support local programs to improve community resiliency
12 and public safety in the face of increased flooding, major storm events, and environmental
13 degradation.

14 (a) Small Business Energy Loan Program \$5,000,000

15 Provides five million dollars (\$5,000,000) for grants for small businesses to remove
16 impediments to clean energy project implementation and would provide zero interest and below
17 market rate loans for clean energy projects.

18 (b) Narragansett Bay and Watershed Restoration \$3,000,000

19 Provides three million dollars (\$3,000,000) for activities to restore and protect the water
20 quality and enhance the economic viability and environmental sustainability of Narragansett Bay
21 and the state's watersheds. Eligible activities include nonpoint source pollution abatement,
22 including stormwater management; nutrient loading abatement; commercial, industrial and
23 agricultural pollution abatement; and riparian buffer and watershed ecosystem restoration.

24 (c) Forest Restoration \$3,000,000

25 Provides three million dollars (\$3,000,000) to maintain forest and wildlife habitat and
26 infrastructure on state properties, including state management areas.

27 (e) Brownfields Remediation and Economic Development \$4,000,000

28 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants
29 to public, private, and/or non-profit entities for brownfield remediation projects.

30 (f) State Land Acquisition Program \$3,000,000

31 Provides three million dollars (\$3,000,000) for the State to acquire fee simple interest or
32 conservation easements to open space, farmland, watershed, and recreation lands.

33 (g) Local Land Acquisition Matching Grant Program \$2,000,000

1 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to
2 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,
3 development rights, or conservation easements on open space and urban parklands.

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

5 Provides two million dollars (\$2,000,000) for up to eighty percent (80%) matching grants
6 to municipalities to acquire, develop, or rehabilitate local public recreational facilities in Rhode
7 Island.

8 SECTION 2. Ballot labels and applicability of general election laws.

9 The Secretary of State shall prepare and deliver to the State Board of Elections ballot labels
10 for each of the projects provided for in Section 1 hereof with the designations "approve" or "reject"
11 provided next to the description of each such project to enable voters to approve or reject each such
12 proposition. The general election laws, so far as consistent herewith, shall apply to this proposition.

13 SECTION 3. Approval of projects by people.

14 If a majority of the People voting on the proposition in Section 1 hereof shall vote to
15 approve any project stated therein, said project shall be deemed to be approved by the People. The
16 authority to issue bonds, refunding bonds and/or temporary notes of the State shall be limited to
17 the aggregate amount for all such projects as set forth in the proposition, which has been approved
18 by the People.

19 SECTION 4. Bonds for capital development program.

20 The General Treasurer is hereby authorized and empowered, with the approval of the
21 Governor, and in accordance with the provisions of this Act to issue capital development bonds in
22 serial form, in the name of and on behalf of the State of Rhode Island, in amounts as may be
23 specified by the Governor in an aggregate principal amount not to exceed the total amount for all
24 projects approved by the People and designated as "capital development loan of 2022 bonds."
25 Provided, however, that the aggregate principal amount of such capital development bonds and of
26 any temporary notes outstanding at any one time issued in anticipation thereof pursuant to Section
27 7 hereof shall not exceed the total amount for all such projects approved by the People. All
28 provisions in this Act relating to "bonds" shall also be deemed to apply to "refunding bonds."

29 Capital development bonds issued under this Act shall be in denominations of one thousand
30 dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the
31 United States which at the time of payment shall be legal tender for public and private debts. These
32 capital development bonds shall bear such date or dates, mature at specified time or times, but not
33 mature beyond the end of the twentieth (20th) State fiscal year following the fiscal year in which
34 they are issued; bear interest payable semi-annually at a specified rate or different or varying rates:

1 be payable at designated time or times at specified place or places; be subject to express terms of
2 redemption or recall, with or without premium; be in a form, with or without interest coupons
3 attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration
4 and other provisions as may be fixed by the General Treasurer, with the approval by the Governor,
5 upon each issue of such capital development bonds at the time of each issue. Whenever the
6 Governor shall approve the issuance of such capital development bonds, the Governor's approval
7 shall be certified to the Secretary of State; the bonds shall be signed by the General Treasurer and
8 countersigned by Secretary of State and shall bear the seal of the State. The signature approval of
9 the Governor shall be endorsed on each bond.

10 SECTION 5. Refunding bonds for 2022 capital development program.

11 The General Treasurer is hereby authorized and empowered, with the approval of the
12 Governor, and in accordance with the provisions of this Act, to issue bonds to refund the 2022
13 capital development program bonds, in the name of and on behalf of the state, in amounts as may
14 be specified by the Governor in an aggregate principal amount not to exceed the total amount
15 approved by the People, to be designated as "capital development program loan of 2022 refunding
16 bonds" (hereinafter "Refunding Bonds").

17 The General Treasurer with the approval of the Governor shall fix the terms and form of
18 any Refunding Bonds issued under this Act in the same manner as the capital development bonds
19 issued under this Act, except that the Refunding Bonds may not mature more than twenty (20) years
20 from the date of original issue of the capital development bonds being refunded.

21 The proceeds of the Refunding Bonds, exclusive of any premium and accrual interest and
22 net the underwriters' cost, and cost of bond issuance, shall, upon their receipt, be paid by the
23 General Treasurer immediately to the paying agent for the capital development bonds which are to
24 be called and prepaid. The paying agent shall hold the Refunding Bond proceeds in trust until they
25 are applied to prepay the capital development bonds. While such proceeds are held in trust, the
26 proceeds may be invested for the benefit of the State in obligations of the United States of America
27 or the State of Rhode Island.

28 If the General Treasurer shall deposit with the paying agent for the capital development
29 bonds the proceeds of the Refunding Bonds, or proceeds from other sources, amounts that, when
30 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all
31 principal, interest, and premium, if any, on the capital development bonds until these bonds are
32 called for prepayment, then such capital development bonds shall not be considered debts of the
33 State of Rhode Island for any purpose starting from the date of deposit of such moneys with the
34 paying agent. The Refunding Bonds shall continue to be a debt of the State until paid.

1 The term "bond" shall include "note," and the term "refunding bonds" shall include
2 "refunding notes" when used in this Act.

3 SECTION 6. Proceeds of capital development program.

4 The General Treasurer is directed to deposit the proceeds from the sale of capital
5 development bonds issued under this Act, exclusive of premiums and accrued interest and net the
6 underwriters' cost, and cost of bond issuance, in one or more of the depositories in which the funds
7 of the State may be lawfully kept in special accounts (hereinafter cumulatively referred to as "such
8 capital development bond fund") appropriately designated for each of the projects set forth in
9 Section 1 hereof which shall have been approved by the People to be used for the purpose of paying
10 the cost of all such projects so approved.

11 All monies in the capital development bond fund shall be expended for the purposes
12 specified in the proposition provided for in Section 1 hereof under the direction and supervision of
13 the Director of Administration (hereinafter referred to as "Director"). The Director or his or her
14 designee shall be vested with all power and authority necessary or incidental to the purposes of this
15 Act, including but not limited to, the following authority: (a) to acquire land or other real property
16 or any interest, estate or right therein as may be necessary or advantageous to accomplish the
17 purposes of this Act; (b) to direct payment for the preparation of any reports, plans and
18 specifications, and relocation expenses and other costs such as for furnishings, equipment
19 designing, inspecting and engineering, required in connection with the implementation of any
20 projects set forth in Section 1 hereof; (c) to direct payment for the costs of construction,
21 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
22 improvements to land in connection with the implementation of any projects set forth in Section 1
23 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
24 for repair, renovation or conversion of systems and structures as necessary for the 2022 capital
25 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
26 expended in excess of the amount of the capital development bond fund designated for each project
27 authorized in Section 1 hereof. With respect to the bonds and temporary notes described in Section
28 1, the proceeds shall be used for the following purposes:

29 Question 1, relating to bonds in the amount of sixty-two million dollars (\$62,000,000) to
30 provide funding for higher education facilities to be allocated as follows:

31 (a) University of Rhode Island Narragansett Bay Campus \$50,000,000

32 Provides fifty million dollars (\$50,000,000) to fund repairs and construct new facilities on
33 the University of Rhode Island's Narragansett Bay Campus in support of the educational and
34 research needs for the marine disciplines.

1 (b) Community College of Rhode Island Renovation and Modernization \$12,000,000

2 Provides twelve million dollars (\$12,000,000) to fund restoration and enhancement of
3 academic and student support spaces and other infrastructure on the four campuses of the
4 Community College of Rhode Island (CCRI). Funds will go towards modernizing and renovating
5 facilities, addressing repairs, improving safety and energy efficiency, and replacing outdated
6 technology and equipment used for teaching and learning.

7 Question 2, relating to bonds in the amount of two hundred-fifty million dollars
8 (\$250,000,000) to provide funding for the construction, renovation, and rehabilitation of the state's
9 public schools pursuant to § 45-38.2-4 (f).

10 Question 3, relating to bonds in the amount of thirty-eight million dollars (\$38,000,000)
11 for environmental and recreational purposes, to be allocated as follows:

12 (a) Municipal Resiliency \$16,000,000

13 Provides sixteen million dollars (\$16,000,000) for up to seventy-five percent (75%)
14 matching grants to municipalities for restoring and/or improving resiliency of infrastructure,
15 vulnerable coastal habitats, and restoring rivers and stream floodplains. These funds are expected
16 to leverage significant matching funds to support local programs to improve community resiliency
17 and public safety in the face of increased flooding, major storm events, and environmental
18 degradation.

19 (d) Small Business Energy Loan Program \$5,000,000

20 Provides five million dollars (\$5,000,000) for grants for small businesses to remove
21 impediments to clean energy project implementation and would provide zero interest and below
22 market rate loans for clean energy projects.

23 (e) Narragansett Bay and Watershed Restoration \$3,000,000

24 Provides three million dollars (\$3,000,000) for activities to restore and protect the water
25 quality and enhance the economic viability and environmental sustainability of Narragansett Bay
26 and the state's watersheds. Eligible activities include nonpoint source pollution abatement,
27 including stormwater management; nutrient loading abatement; commercial, industrial and
28 agricultural pollution abatement; and riparian buffer and watershed ecosystem restoration.

29 (f) Forest Restoration \$3,000,000

30 Provides three million dollars (\$3,000,000) to maintain forest and wildlife habitat and
31 infrastructure on state properties, including state management areas.

32 (e) Brownfields Remediation and Economic Development \$4,000,000

33 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants
34 to public, private, and/or non-profit entities for brownfield remediation projects.

1 (f) State Land Acquisition Program \$3,000,000

2 Provides three million dollars (\$3,000,000) for the State to acquire fee simple interest or
3 conservation easements to open space, farmland, watershed, and recreation lands.

4 (g) Local Land Acquisition Matching Grant Program \$2,000,000

5 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to
6 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,
7 development rights, or conservation easements on open space and urban parklands.

8 (h) Local Recreation Development Matching Grant Program \$2,000,000

9 Provides two million dollars (\$2,000,000) for up to eighty percent (80%) matching grants
10 to municipalities to acquire, develop, or rehabilitate local public recreational facilities in Rhode
11 Island.

12 SECTION 7. Sale of bonds and notes.

13 Any bonds or notes issued under the authority of this Act shall be sold at not less than the
14 principal amount thereof, in such mode and on such terms and conditions as the General Treasurer,
15 with the approval of the Governor, shall deem to be in the best interests of the State.

16 Any premiums and accrued interest, net of the cost of bond issuance and underwriter's
17 discount, which may be received on the sale of the capital development bonds or notes shall become
18 part of the Rhode Island Capital Plan Fund of the State, unless directed by federal law or regulation
19 to be used for some other purpose.

20 In the event that the amount received from the sale of the capital development bonds or
21 notes exceeds the amount necessary for the purposes stated in Section 6 hereof, the surplus may be
22 used to the extent possible to retire the bonds as the same may become due, to redeem them in
23 accordance with the terms thereof or otherwise to purchase them as the General Treasurer, with the
24 approval of the Governor, shall deem to be in the best interests of the state.

25 Any bonds or notes issued under the provisions of this Act and coupons on any capital
26 development bonds, if properly executed by the manual or electronic signatures of officers of the
27 State in office on the date of execution, shall be valid and binding according to their tenor,
28 notwithstanding that before the delivery thereof and payment therefor, any or all such officers shall
29 for any reason have ceased to hold office.

30 SECTION 8. Bonds and notes to be tax exempt and general obligations of the State.

31 All bonds and notes issued under the authority of this Act shall be exempt from taxation in
32 the State and shall be general obligations of the State, and the full faith and credit of the State is
33 hereby pledged for the due payment of the principal and interest on each of such bonds and notes
34 as the same shall become due.

1 SECTION 9. Investment of moneys in fund.

2 All moneys in the capital development fund not immediately required for payment pursuant
3 to the provisions of this act may be invested by the investment commission, as established by
4 Chapter 10 of Title 35, entitled "State Investment Commission," pursuant to the provisions of such
5 chapter; provided, however, that the securities in which the capital development fund is invested
6 shall remain a part of the capital development fund until exchanged for other securities; and
7 provided further, that the income from investments of the capital development fund shall become
8 a part of the general fund of the State and shall be applied to the payment of debt service charges
9 of the State, unless directed by federal law or regulation to be used for some other purpose, or to
10 the extent necessary, to rebate to the United States treasury any income from investments (including
11 gains from the disposition of investments) of proceeds of bonds or notes to the extent deemed
12 necessary to exempt (in whole or in part) the interest paid on such bonds or notes from federal
13 income taxation.

14 SECTION 10. Appropriation.

15 To the extent the debt service on these bonds is not otherwise provided, a sum sufficient to
16 pay the interest and principal due each year on bonds and notes hereunder is hereby annually
17 appropriated out of any money in the treasury not otherwise appropriated.

18 SECTION 11. Advances from general fund.

19 The General Treasurer is authorized, with the approval of the Director and the Governor,
20 in anticipation of the issue of notes or bonds under the authority of this Act, to advance to the capital
21 development bond fund for the purposes specified in Section 6 hereof, any funds of the State not
22 specifically held for any particular purpose; provided, however, that all advances made to the
23 capital development bond fund shall be returned to the general fund from the capital development
24 bond fund forthwith upon the receipt by the capital development fund of proceeds resulting from
25 the issue of notes or bonds to the extent of such advances.

26 SECTION 12. Federal assistance and private funds.

27 In carrying out this act, the Director, or his or her designee, is authorized on behalf of the
28 State, with the approval of the Governor, to apply for and accept any federal assistance which may
29 become available for the purpose of this Act, whether in the form of loan or grant or otherwise, to
30 accept the provision of any federal legislation therefor, to enter into, act and carry out contracts in
31 connection therewith, to act as agent for the federal government in connection therewith, or to
32 designate a subordinate so to act. Where federal assistance is made available, the project shall be
33 carried out in accordance with applicable federal law, the rules and regulations thereunder and the
34 contract or contracts providing for federal assistance, notwithstanding any contrary provisions of

1 State law. Subject to the foregoing, any federal funds received for the purposes of this Act shall be
2 deposited in the capital development bond fund and expended as a part thereof. The Director or
3 his or her designee may also utilize any private funds that may be made available for the purposes
4 of this Act.

5 SECTION 13. Effective Date.

6 Sections 1, 2, 3, 11, 12 and this Section 13 of this article shall take effect upon passage.
7 The remaining sections of this article shall take effect when and if the State Board of Elections shall
8 certify to the Secretary of State that a majority of the qualified electors voting on the proposition
9 contained in Section 1 hereof have indicated their approval of all or any projects thereunder.

1 **ARTICLE 6**

2 RELATING TO TAXATION

3 SECTION 1. Section 44-30-12 of the General Laws in Chapter 44-30 entitled "Personal
4 Income Tax" is hereby amended to read as follows:

5 **44-30-12 Rhode Island income of a resident individual.**

6 (a) General. The Rhode Island income of a resident individual means his or her adjusted
7 gross income for federal income tax purposes, with the modifications specified in this section.

8 (b) Modifications increasing federal adjusted gross income. There shall be added to federal
9 adjusted gross income:

10 (1) Interest income on obligations of any state, or its political subdivisions, other than
11 Rhode Island or its political subdivisions;

12 (2) Interest or dividend income on obligations or securities of any authority, commission,
13 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the
14 extent exempted by the laws of the United States from federal income tax but not from state income
15 taxes;

16 (3) The modification described in § 44-30-25(g);

17 (4) (i) The amount defined below of a nonqualified withdrawal made from an account in
18 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified
19 withdrawal is:

20 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
21 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-
22 6.1; and

23 (B) A withdrawal or distribution that is:

24 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined
25 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

26 (II) Not made for a reason referred to in § 16-57-6.1(e); or

27 (III) Not made in other circumstances for which an exclusion from tax made applicable by
28 Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,
29 withdrawal, or distribution is made within two (2) taxable years following the taxable year for
30 which a contributions modification pursuant to subsection (c)(4) of this section is taken based on
31 contributions to any tuition savings program account by the person who is the participant of the
32 account at the time of the contribution, whether or not the person is the participant of the account
33 at the time of the transfer, rollover, withdrawal or distribution;

1 (ii) In the event of a nonqualified withdrawal under subsection (b)(4)(i)(A) or (b)(4)(i)(B)
2 of this section, there shall be added to the federal adjusted gross income of that person for the
3 taxable year of the withdrawal an amount equal to the lesser of:

4 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
5 administrative fee or penalty imposed under the tuition savings program in connection with the
6 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
7 person's federal adjusted gross income for the taxable year; and

8 (B) The amount of the person's contribution modification pursuant to subsection (c)(4) of
9 this section for the person's taxable year of the withdrawal and the two (2) prior taxable years less
10 the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
11 computing the person's Rhode Island income by application of this subsection for those years. Any
12 amount added to federal adjusted gross income pursuant to this subdivision shall constitute Rhode
13 Island income for residents, nonresidents and part-year residents;

14 (5) The modification described in § 44-30-25.1(d)(3)(i);

15 (6) The amount equal to any unemployment compensation received but not included in
16 federal adjusted gross income;

17 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
18 qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6); and

19 (8) For any taxable year beginning on or after January 1, 2020, the amount of any Paycheck
20 Protection Program loan forgiven for federal income tax purposes as authorized by the Coronavirus
21 Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act, 2021 and/or
22 any other subsequent federal stimulus relief packages enacted by law, to the extent that the amount
23 of the loan forgiven exceeds \$250,000, including an individual's distributive share of the amount
24 of a pass-through entity's loan forgiveness in excess of \$250,000.

25 (c) Modifications reducing federal adjusted gross income. There shall be subtracted from
26 federal adjusted gross income:

27 (1) Any interest income on obligations of the United States and its possessions to the extent
28 includible in gross income for federal income tax purposes, and any interest or dividend income on
29 obligations, or securities of any authority, commission, or instrumentality of the United States to
30 the extent includible in gross income for federal income tax purposes but exempt from state income
31 taxes under the laws of the United States; provided, that the amount to be subtracted shall in any
32 case be reduced by any interest on indebtedness incurred or continued to purchase or carry
33 obligations or securities the income of which is exempt from Rhode Island personal income tax, to

1 the extent the interest has been deducted in determining federal adjusted gross income or taxable
2 income;

3 (2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

4 (3) The amount of any withdrawal or distribution from the "tuition savings program"
5 referred to in § 16-57-6.1 that is included in federal adjusted gross income, other than a withdrawal
6 or distribution or portion of a withdrawal or distribution that is a nonqualified withdrawal;

7 (4) Contributions made to an account under the tuition savings program, including the
8 "contributions carryover" pursuant to subsection (c)(4)(iv) of this section, if any, subject to the
9 following limitations, restrictions and qualifications:

10 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
11 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
12 return;

13 (ii) The following shall not be considered contributions:

14 (A) Contributions made by any person to an account who is not a participant of the account
15 at the time the contribution is made;

16 (B) Transfers or rollovers to an account from any other tuition savings program account or
17 from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
18 U.S.C. § 529; or

19 (C) A change of the beneficiary of the account;

20 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
21 adjusted gross income to less than zero (0);

22 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
23 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
24 savings program for all preceding taxable years for which this subsection is effective over the sum
25 of:

26 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
27 such preceding taxable years; and

28 (B) That part of any remaining contribution carryover at the end of the taxable year which
29 exceeds the amount of any nonqualified withdrawals during the year and the prior two (2) taxable
30 years not included in the addition provided for in this subdivision for those years. Any such part
31 shall be disregarded in computing the contributions carryover for any subsequent taxable year;

32 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
33 shall include a computation of the carryover with the taxpayer's Rhode Island personal income tax
34 return for that year, and if for any taxable year on which the carryover is based the taxpayer filed a

1 joint Rhode Island personal income tax return but filed a return on a basis other than jointly for a
2 subsequent taxable year, the computation shall reflect how the carryover is being allocated between
3 the prior joint filers;

4 (5) The modification described in § 44-30-25.1(d)(1);

5 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
6 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36 or
7 other coverage plan;

8 (7) Modification for organ transplantation.

9 (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted
10 gross income if he or she, while living, donates one or more of his or her human organs to another
11 human being for human organ transplantation, except that for purposes of this subsection, "human
12 organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract
13 modification that is claimed hereunder may be claimed in the taxable year in which the human
14 organ transplantation occurs.

15 (ii) An individual may claim that subtract modification hereunder only once, and the
16 subtract modification may be claimed for only the following unreimbursed expenses that are
17 incurred by the claimant and related to the claimant's organ donation:

18 (A) Travel expenses.

19 (B) Lodging expenses.

20 (C) Lost wages.

21 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
22 nonresident of this state;

23 (8) Modification for taxable Social Security income.

24 (i) For tax years beginning on or after January 1, 2016:

25 (A) For a person who has attained the age used for calculating full or unreduced social
26 security retirement benefits who files a return as an unmarried individual, head of household, or
27 married filing separate whose federal adjusted gross income for the taxable year is less than eighty
28 thousand dollars (\$80,000); or

29 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
30 attained the age used for calculating full or unreduced social security retirement benefits whose
31 joint federal adjusted gross income for the taxable year is less than one hundred thousand dollars
32 (\$100,000), an amount equal to the social security benefits includible in federal adjusted gross
33 income.

1 (ii) Adjustment for inflation. The dollar amount contained in subsections (c)(8)(i)(A) and
2 (c)(8)(i)(B) of this section shall be increased annually by an amount equal to:

3 (A) Such dollar amount contained in subsections (c)(8)(i)(A) and (c)(8)(i)(B) of this
4 section adjusted for inflation using a base tax year of 2000, multiplied by;

5 (B) The cost-of-living adjustment with a base year of 2000.

6 (iii) For the purposes of this section the cost-of-living adjustment for any calendar year is
7 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
8 the consumer price index for the base year. The consumer price index for any calendar year is the
9 average of the consumer price index as of the close of the twelve-month (12) period ending on
10 August 31, of such calendar year.

11 (iv) For the purpose of this section the term "consumer price index" means the last
12 consumer price index for all urban consumers published by the department of labor. For the purpose
13 of this section the revision of the consumer price index which is most consistent with the consumer
14 price index for calendar year 1986 shall be used.

15 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
16 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
17 married individual filing separate return, if any increase determined under this section is not a
18 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
19 of twenty-five dollars (\$25.00);

20 (9) Modification for up to fifteen thousand dollars (\$15,000) of taxable retirement income
21 from certain pension plans or annuities.

22 (i) For tax years beginning on or after January 1, 2017, a modification shall be allowed for
23 up to fifteen thousand dollars (\$15,000) of taxable pension and/or annuity income that is included
24 in federal adjusted gross income for the taxable year:

25 (A) For a person who has attained the age used for calculating full or unreduced social
26 security retirement benefits who files a return as an unmarried individual, head of household, or
27 married filing separate whose federal adjusted gross income for such taxable year is less than the
28 amount used for the modification contained in subsection (c)(8)(i)(A) of this section an amount not
29 to exceed \$15,000 of taxable pension and/or annuity income includible in federal adjusted gross
30 income; or

31 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
32 has attained the age used for calculating full or unreduced social security retirement benefits whose
33 joint federal adjusted gross income for such taxable year is less than the amount used for the

1 modification contained in subsection (c)(8)(i)(B) of this section an amount not to exceed \$15,000
2 of taxable pension and/or annuity income includible in federal adjusted gross income.

3 (ii) Adjustment for inflation. The dollar amount contained by reference in subsections
4 (c)(9)(i)(A) and (c)(9)(i)(B) of this section shall be increased annually for tax years beginning on
5 or after January 1, 2018, by an amount equal to:

6 (A) Such dollar amount contained by reference in subsections (c)(9)(i)(A) and (c)(9)(i)(B)
7 of this section adjusted for inflation using a base tax year of 2000, multiplied by;

8 (B) The cost-of-living adjustment with a base year of 2000.

9 (iii) For the purposes of this section, the cost-of-living adjustment for any calendar year is
10 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
11 the consumer price index for the base year. The consumer price index for any calendar year is the
12 average of the consumer price index as of the close of the twelve-month (12) period ending on
13 August 31, of such calendar year.

14 (iv) For the purpose of this section, the term "consumer price index" means the last
15 consumer price index for all urban consumers published by the department of labor. For the purpose
16 of this section, the revision of the consumer price index which is most consistent with the consumer
17 price index for calendar year 1986 shall be used.

18 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
19 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
20 married individual filing a separate return, if any increase determined under this section is not a
21 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
22 of twenty-five dollars (\$25.00); ~~and~~

23 (10) Modification for Rhode Island investment in opportunity zones. For purposes of a
24 taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by
25 the taxpayer for at least seven (7) years, a modification to income shall be allowed for the
26 incremental difference between the benefit allowed under 26 U.S.C. § 1400Z-2(b)(2)(B)(iv) and
27 the federal benefit allowed under 26 U.S.C. § 1400Z-2(c); ~~and~~

28 (11) Modification for military service pensions.

29 (i) For purposes of a taxpayer's state tax liability, a modification to income shall be allowed
30 as follows:

31 (A) For the tax year beginning on January 1, 2023, a taxpayer may subtract from federal
32 adjusted gross income up to twenty percent (20%) of the taxpayer's military service pension
33 benefits included in federal adjusted gross income;

1 (B) For the tax year beginning on January 1, 2024, a taxpayer may subtract from federal
2 adjusted gross income up to forty percent (40%) of the taxpayer’s military service pension benefits
3 included in federal adjusted gross income;

4 (C) For the tax year beginning on January 1, 2025, a taxpayer may subtract from federal
5 adjusted gross income up to sixty percent (60%) of the taxpayer’s military service pension benefits
6 included in federal adjusted gross income;

7 (D) For the tax year beginning on January 1, 2026, a taxpayer may subtract from federal
8 adjusted gross income up to eighty percent (80%) of the taxpayer’s military service pension benefits
9 included in federal adjusted gross income;

10 (E) For tax years beginning on or after January 1, 2027, a taxpayer may subtract from
11 federal adjusted gross income up to one hundred percent (100%) of the taxpayer’s military service
12 pension benefits included in federal adjusted gross income.

13 (i) As used in this subsection, the term “military service” shall have the same meaning as
14 set forth in 20 CFR Section 212.2.

15 (iii) At no time shall the modification allowed under this subsection alone or in conjunction
16 with subsection (c)(9) exceed the amount of the military service pension received in the tax year
17 for which the modification is claimed.

18 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or
19 subtracted from, federal adjusted gross income (as the case may be) the taxpayer's share, as
20 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
21 30-17.

22 (e) Partners. The amounts of modifications required to be made under this section by a
23 partner, which relate to items of income or deduction of a partnership, shall be determined under §
24 44-30-15.

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

1
2 **ARTICLE 7**

3 **RELATING TO ENERGY AND THE ENVIRONMENT**

4 SECTION 1. Section 39-2-1.2 of the General Laws in Chapter 39-2 entitled "Duties of
5 Utilities and Carriers" is hereby amended to read as follows:

6 **39-2-1.2. Utility base rate — Advertising, demand-side management, and
7 renewables.**

8 (a) In addition to costs prohibited in § 39-1-27.4(b), no public utility distributing or
9 providing heat, electricity, or water to or for the public shall include as part of its base rate any
10 expenses for advertising, either direct or indirect, that promotes the use of its product or service, or
11 is designed to promote the public image of the industry. No public utility may furnish support of
12 any kind, direct or indirect, to any subsidiary, group, association, or individual for advertising and
13 include the expense as part of its base rate. Nothing contained in this section shall be deemed as
14 prohibiting the inclusion in the base rate of expenses incurred for advertising, informational or
15 educational in nature, that is designed to promote public safety conservation of the public utility's
16 product or service. The public utilities commission shall promulgate such rules and regulations as
17 are necessary to require public disclosure of all advertising expenses of any kind, direct or indirect,
18 and to otherwise effectuate the provisions of this section.

19 (b) Effective as of January 1, 2008, and for a period of twenty (20) years thereafter, each
20 electric distribution company shall include a charge per kilowatt-hour delivered to fund demand-
21 side management programs. The 0.3 mills per kilowatt-hour delivered to fund renewable energy
22 programs shall remain in effect until December 31, 2028. The electric distribution company shall
23 establish and, after July 1, 2007, maintain, two (2) separate accounts, one for demand-side
24 management programs (the "demand-side account"), which shall be funded by the electric demand-
25 side charge and administered and implemented by the distribution company, subject to the
26 regulatory reviewing authority of the commission, and one for renewable energy programs, which
27 shall be administered by the Rhode Island commerce corporation pursuant to § 42-64-13.2 and shall
28 be held and disbursed by the distribution company as directed by the Rhode Island commerce
29 corporation for the purposes of developing, promoting, and supporting renewable energy programs.

30 During the time periods established in this subsection, the commission may, in its
31 discretion, after notice and public hearing, increase the sums for demand-side management and
32 renewable resources. In addition, the commission shall, after notice and public hearing, determine
33 the appropriate charge for these programs. The office of energy resources, and/or the administrator
34 of the renewable energy programs, may seek to secure for the state an equitable and reasonable
portion of renewable energy credits or certificates created by private projects funded through those

1 programs. As used in this section, "renewable energy resources" shall mean: (1) Power generation
2 technologies, as defined in § 39-26-5, "eligible renewable energy resources," including off-grid and
3 on-grid generating technologies located in Rhode Island, as a priority; (2) Research and
4 development activities in Rhode Island pertaining to eligible renewable energy resources and to
5 other renewable energy technologies for electrical generation; or (3) Projects and activities directly
6 related to implementing eligible renewable energy resources projects in Rhode Island.
7 Technologies for converting solar energy for space heating or generating domestic hot water may
8 also be funded through the renewable energy programs. Fuel cells may be considered an energy
9 efficiency technology to be included in demand-side management programs. Special rates for low-
10 income customers in effect as of August 7, 1996, shall be continued, and the costs of all of these
11 discounts shall be included in the distribution rates charged to all other customers. Nothing in this
12 section shall be construed as prohibiting an electric distribution company from offering any special
13 rates or programs for low-income customers which are not in effect as of August 7, 1996, subject
14 to the approval by the commission.

15 (1) The renewable energy investment programs shall be administered pursuant to rules
16 established by the Rhode Island commerce corporation. Said rules shall provide transparent criteria
17 to rank qualified renewable energy projects, giving consideration to:

- 18 (i) The feasibility of project completion;
- 19 (ii) The anticipated amount of renewable energy the project will produce;
- 20 (iii) The potential of the project to mitigate energy costs over the life of the project; and
- 21 (iv) The estimated cost per kilowatt-hour (KWh) of the energy produced from the project.
- 22 (c) [Deleted by P.L. 2012, ch. 241, art. 4, § 14.]

23 (d) The chief executive officer of the commerce corporation is authorized and may enter
24 into a contract with a contractor for the cost-effective administration of the renewable energy
25 programs funded by this section. A competitive bid and contract award for administration of the
26 renewable energy programs may occur every three (3) years and shall include, as a condition, that
27 after July 1, 2008, the account for the renewable energy programs shall be maintained and
28 administered by the commerce corporation as provided for in subsection (b) of this section.

29 (e) Effective January 1, 2007, and for a period of twenty-one (21) years thereafter, each
30 gas distribution company shall include, with the approval of the commission, a charge per deca
31 therm delivered to fund demand-side management programs (the "gas demand-side charge"),
32 including, but not limited to, programs for cost-effective energy efficiency, energy conservation,
33 combined heat and power systems, and weatherization services for low-income households.

1 (f) Each gas company shall establish a separate account for demand-side management
2 programs (the "gas demand-side account") that shall be funded by the gas demand-side charge and
3 administered and implemented by the distribution company, subject to the regulatory reviewing
4 authority of the commission. The commission may establish administrative mechanisms and
5 procedures that are similar to those for electric demand-side management programs administered
6 under the jurisdiction of the commission and that are designed to achieve cost-effectiveness and
7 high, life-time savings of efficiency measures supported by the program.

8 (g) The commission may, if reasonable and feasible, except from this demand-side
9 management charge:

10 (1) Gas used for distribution generation; and

11 (2) Gas used for the manufacturing processes, where the customer has established a self-
12 directed program to invest in and achieve best-effective energy efficiency in accordance with a plan
13 approved by the commission and subject to periodic review and approval by the commission, which
14 plan shall require annual reporting of the amount invested and the return on investments in terms
15 of gas savings.

16 (h) The commission may provide for the coordinated and/or integrated
17 administration of electric and gas demand-side management programs in order to enhance the
18 effectiveness of the programs. Such coordinated and/or integrated administration may after March
19 1, 2009, upon the recommendation of the office of energy resources, be through one or more third-
20 party entities designated by the commission pursuant to a competitive selection process.

21 (i) Effective January 1, 2007, the commission shall allocate, from demand-side
22 management gas and electric funds authorized pursuant to this section, ~~an amount not to exceed~~
23 three percent (3%) of such funds on an annual basis for the retention of expert consultants, and
24 reasonable administration costs of the energy efficiency and resources management council
25 associated with planning, management, and evaluation of energy-efficiency programs, renewable
26 energy programs, system reliability least-cost procurement, and with regulatory proceedings,
27 contested cases, and other actions pertaining to the purposes, powers, and duties of the council,
28 which allocation may by mutual agreement, be used in coordination with the office of energy
29 resources to support such activities.

30 (j) Effective January 1, 2016, the commission shall annually allocate from the
31 administrative funding amount allocated in subsection (i) from the demand-side management
32 program as described in subsection (i) as follows: forty percent (40%) for the purposes identified
33 in subsection (i) and sixty percent (60%) annually to the office of energy resources for activities
34 associated with planning, management, and evaluation of energy-efficiency programs, renewable

1 energy programs, system reliability, least-cost procurement, and with regulatory proceedings,
2 contested cases, and other actions pertaining to the purposes, powers, and duties of the office of
3 energy resources. [The office of energy resources and the energy efficiency resource management](#)
4 [council shall have exclusive authority to direct the use of these funds.](#)

5 (k) On April 15, of each year, the office and the council shall submit to the governor, the
6 president of the senate, and the speaker of the house of representatives, separate financial and
7 performance reports regarding the demand-side management programs, including the specific level
8 of funds that were contributed by the residential, municipal, and commercial and industrial sectors
9 to the overall programs; the businesses, vendors, and institutions that received funding from
10 demand-side management gas and electric funds used for the purposes in this section; and the
11 businesses, vendors, and institutions that received the administrative funds for the purposes in
12 subsections (i) and (j). These reports shall be posted electronically on the websites of the office of
13 energy resources and the energy efficiency and resources management council.

14 (l) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank, each
15 electric distribution company, except for the Pascoag Utility District and Block Island Power
16 Company, shall remit two percent (2%) of the amount of the 2014 electric demand-side charge
17 collections to the Rhode Island infrastructure bank.

18 (m) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank, each
19 gas distribution company shall remit two percent (2%) of the amount of the 2014 gas demand-side
20 charge collections to the Rhode Island infrastructure bank.

21 (n) Effective January 1, 2022, the commission shall allocate, from demand-side
22 management gas and electric funds authorized pursuant to this section, five million dollars
23 (\$5,000,000) of such funds on an annual basis to the Rhode Island infrastructure bank. Gas and
24 electric demand-side funds transferred to the Rhode Island infrastructure bank pursuant to this
25 section shall be eligible to be used in any energy efficiency, renewable energy, [clean transportation,](#)
26 [clean heating, energy storage,](#) or demand-side management project financing program administered
27 by the Rhode Island infrastructure bank notwithstanding any other restrictions on the use of such
28 collections set forth in this chapter. The infrastructure bank shall report annually to the commission
29 within ninety (90) days of the end of each calendar year how collections transferred under this
30 section were utilized.

31 [\(o\) Effective January 1, 2023, the commission shall allocate from demand-side](#)
32 [management gas and electric funds authorized pursuant to this section, six million dollars](#)
33 [\(\\$6,000,000\) of such funds on an annual basis to the Rhode Island office of energy resources, on](#)
34 [behalf of the executive climate change coordinating council, for climate change-related initiatives.](#)

1 The executive climate change coordinating council shall have exclusive authority to direct the use
2 of these funds. The office of energy resources may act on behalf of the executive climate change
3 coordinating council to disburse these funds.

4 (i) The gas and electric demand-side funds allocated pursuant to 39-2-1.2(o) shall be used
5 for any energy efficiency, renewable energy, clean transportation, clean heating, energy storage,
6 demand-side management, or other programs and investments that support the reduction of
7 greenhouse gases consistent with the 2021 Act on Climate. Funds may also be used for the purpose
8 of providing the financial means for the council to purchase materials and to employ on a contract
9 or other basis expert consultant services, expert witnesses, and/or other support services necessary
10 to advance the requirements of the act on climate.

11 (ii) The Rhode Island executive climate change council shall report annually to the
12 governor and general assembly within one hundred and twenty (120) days of the end of each
13 calendar year how the funds were used to achieve the statutory objectives of the 2021 act on climate.

14 (iii) The office of energy resources is authorized and may enter into contracts with third-
15 party entities for the administration and/or implementation of climate change initiatives funded by
16 this section.

17 (iv) There is hereby established a restricted receipt account in the general fund of the state
18 and housed in the budget of the department of administration entitled “executive climate change
19 coordinating council projects.” The express purpose of this account is to record receipts and
20 expenditures of the program herein described and established within this subsection.

21 (p) Effective January 1, 2023, the electric and gas distribution company shall not be eligible
22 for performance based or other incentives related to the administration and implementation of
23 energy efficiency programs approved pursuant to this chapter.

24 (q) The Rhode Island office of energy resources, in coordination with the energy efficiency
25 resource management council, shall issue a request for proposals for the cost effective
26 administration and implementation of statewide energy efficiency programs funded by this section
27 no later than March 31, 2023. The Rhode Island office of energy resources, in coordination with
28 the energy efficiency resource management council, shall evaluate proposals and determine
29 whether energy efficiency administration and implementation by the electric and gas distribution
30 company or a third-party is in the best interest of Rhode Island energy consumers. After January
31 1, 2025, the office of energy resources may, periodically, and at its discretion, issue additional
32 requests for proposals for the administration and implementation of statewide energy efficiency
33 programs funded through this chapter.

1 (i) Nothing in this chapter shall prohibit the electric and/or gas distribution company from
2 submitting a proposal to administer and implement the state energy efficiency programs.

3 (ii) If the office of energy resources, in coordination with the energy efficiency resource
4 management council, determines that the use of a third-party administrator is in the best interest of
5 Rhode Island energy consumers, it shall file its recommendation with the public utilities
6 commission, which shall docket and rule on the matter pursuant to its general statutory
7 authorization. If the commission determines that the recommended third-party administrator is in
8 the interest of Rhode Island utility customers, it shall provide for the full cost recovery of any
9 subsequent contracts entered into by the office and the third-party administrator from electric and
10 gas distribution customers.

11 (iii) If the office does not recommend advancement of a third-party administrator, the
12 electric and gas distribution utility shall continue to administer statewide energy efficiency
13 programs.

14 SECTION 2. Title 42 of the General Laws entitled "State Affairs and Government" is
15 hereby amended by adding thereto the following chapter:

16 CHAPTER 162

17 ELECTRIC VEHICLE CHARGING INFRASTRUCTURE PROGRAM

18 **42-162-1. Legislative findings.**

19 The general assembly finds and declares that:

20 (1) The 2021 act on climate establishes mandatory, economy-wide greenhouse gas
21 emissions reduction targets; and

22 (2) To meet these goals, Rhode Island must accelerate its adoption of more sustainable
23 transportation solutions, including electric vehicles; and

24 (3) The widespread adoption of electric vehicles will necessitate investment in and
25 deployment of electric vehicle charging infrastructure; and

26 (4) Electric vehicle charging infrastructure must be made accessible to all Rhode Island
27 citizens and businesses, and deployed in an equitable manner; and

28 (5) The installation of electric vehicle charging infrastructure – and other clean energy
29 investments – will support statewide economic development and job growth in the clean energy
30 sector.

31 **42-162-2. Definitions.**

32 As used in this chapter, the following terms, unless the context requires a different
33 interpretation, shall have the following meanings:

34 (1) "Department" means the department of transportation.

1 (2) “Electric Vehicle Charging Infrastructure” means equipment that supplies electricity to
2 charge electric vehicles, including charging stations and balance of plant.

3 (3) “Electric Vehicle Charging Infrastructure Funds” means but is not limited to, federal
4 funds allocated for electric vehicle charging infrastructure from the federal infrastructure
5 investment and jobs act and any funds allocated as state match to federal funds.

6 (4) “Federal Funds” means monies allocated for electric vehicle charging infrastructure
7 from the infrastructure investment and jobs act.

8 (5) "Office" means the office of energy resources.

9 **42-162-3. Implementation of the electric vehicle charging infrastructure investment**
10 **program.**

11 (a) There is hereby established an electric vehicle charging infrastructure investment
12 program. The department and office shall, in consultation with the department of environmental
13 management, establish the electric vehicle charging infrastructure investment program to be
14 administered by the office in consultation with the department.

15 (b) The department and office, in consultation with the department of environmental
16 management, shall propose draft program and investment criteria on the electric vehicle charging
17 infrastructure investment program and accept public comment for thirty (30) days. The draft shall
18 specify the incentive levels, eligibility criteria, and program rules for electric vehicle charging
19 infrastructure incentives. The program and investment criteria shall be finalized by the office and
20 department after the public comment period closes and include responses to submitted public
21 comments.

22 (c) The department and office shall provide a website for the electric vehicle charging
23 infrastructure investment program to support public accessibility.

24 **42-162-4. Reporting.**

25 The department and office shall provide a report to the governor and general assembly by
26 December 31, 2023, on the results of the electric vehicle charging infrastructure investment
27 program. The department and office shall provide an annual report to the governor and general
28 assembly until the federal funds have been completely utilized.

29 SECTION 3. Section 46-23-20.1 of the General Laws in Chapter 46-23 entitled “Coastal
30 Resources Management Council” is hereby amended to read as follows:

31 **46-23-20.1. Hearing officers — Appointment — Compensation — Subcommittee.**

32 (a) The governor, with the advice and consent of the senate, shall appoint two (2) hearing
33 officers who shall be attorneys-at-law, who, prior to their appointment, shall have practiced law for
34 a period of not less than five (5) years for a term of five (5) years; provided, however, that the initial

1 appointments shall be as follows: one hearing officer shall be appointed for a term of three (3) years
2 and one hearing officer shall be appointed for a term of five (5) years. The appointees shall be
3 addressed as hearing officers.

4 (b) The governor shall designate one of the hearing officers as chief hearing officer. The
5 hearing officers shall hear proceedings as provided by this section, and the council, with the
6 assistance of the chief hearing officer, may promulgate such rules and regulations as shall be
7 necessary or desirable to effect the purposes of this section.

8 (c) A hearing officer ~~shall be devoted full time to these administrative duties, and shall not~~
9 ~~otherwise practice law while holding office nor be a partner nor an associate of any person in the~~
10 ~~practice of law.~~ may be appointed to serve on a part-time basis. No hearing officer shall participate
11 in any case in which he or she is an interested party.

12 (d) Compensation for hearing officers shall be determined by the unclassified pay board.

13 (e) Whenever the chairperson of the coastal resources management council or, in the
14 absence of the chairperson, the commissioner of coastal resources makes a finding that the hearing
15 officers are otherwise engaged and unable to hear a matter in a timely fashion, he or she may
16 appoint a subcommittee which will act as hearing officers in any contested case coming before the
17 council. The subcommittee shall consist of at least one member; provided, however, that in all
18 contested cases an additional member shall be a resident of the coastal community affected. The
19 city or town council of each coastal community shall, at the beginning of its term of office, appoint
20 a resident of that city or town to serve as an alternate member of the aforesaid subcommittee should
21 there be no existing member of the coastal resources management council from that city or town
22 available to serve on the subcommittee. Any member of the subcommittee actively engaged in
23 hearing a case shall continue to hear the case, even though his or her term may have expired, until
24 the case is concluded and a vote taken thereon. Hearings before subcommittees shall be subject to
25 all rules of practice and procedure as govern hearings before hearing officers.

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

1 **ARTICLE 8**

2 **RELATING TO SMALL BUSINESS**

3 SECTION 1. Section 3-6-1.2 of the General Laws in Chapter 3-6 entitled "Manufacturing
4 and Wholesale Licenses" is hereby amended as follows:

5 **3-6-1.2. Brewpub manufacturer's license.**

6 (a) A brewpub manufacturer's license shall authorize the holder to establish and operate a
7 brewpub within this state. The brewpub manufacturer's license shall authorize the retail sale of the
8 beverages manufactured on the location for consumption on the premises. The license shall not
9 authorize the retail sale of beverages from any location other than the location set forth in the
10 license. A brewpub may sell at retail alcoholic beverages produced on the premises by the half-
11 gallon bottle known as a "growler" to consumers for off the premises consumption to be sold
12 pursuant to the laws governing retail Class A establishments. The license also authorizes the sale
13 of beverages produced on the premises in an amount not in excess of forty-eight (48) twelve-ounce
14 (12 oz.) bottles or cans or forty-eight (48) sixteen-ounce (16 oz.) bottles or cans of malt beverages,
15 or one thousand five hundred milliliters (1500 ml), of distilled spirits per visitor, per day, to be sold
16 in containers that may hold no more than seventy-two ounces (72 oz.) each. These beverages may
17 be sold to the consumers for off-premises consumption, and shall be sold pursuant to the laws
18 governing retail Class A establishments.

19 (b) The license shall also authorize the sale at wholesale at the licensed place by the
20 manufacturer of the product of his or her licensed plant as well as beverages produced for the
21 brewpub and sold under the brewpub's name to a holder of a wholesaler's license and the
22 transportation and delivery from the place of sale to the licensed wholesaler or to a common carrier
23 for that delivery.

24 (c) The brewpub manufacturer's license further authorizes the sale of beverages
25 manufactured on the premises to any person holding a valid wholesaler's and importer's license
26 under § 3-6-9 or 3-6-11.

27 (d) The annual fee for the license is one thousand dollars (\$1,000) for a brewpub producing
28 more than fifty thousand gallons (50,000 gal.) per year and five hundred dollars (\$500) per year for
29 a brewpub producing less than fifty thousand gallons (50,000 gal.) per year. The annual fee is
30 prorated to the year ending December 1 in every calendar year and paid to the general treasurer for
31 the use of the state.

32 (e) ~~Expires March 1, 2022.~~ A holder of a brewpub manufacturer's license will be
33 permitted to sell, with take-out food orders, up to two (2) seven hundred fifty millimeter (750 ml)
34 bottles of wine or the equivalent volume of wine in smaller factory sealed containers, or seventy-

1 two ounces (72 oz.) of mixed wine-based drinks or single-serving wine in containers sealed in such
2 a way as to prevent re-opening without obvious evidence that the seal was removed or broken, one
3 hundred forty-four ounces (144 oz.) of beer or mixed beverages in original factory sealed
4 containers, and one hundred forty-four ounces (144 oz.) of draft beer or seventy-two ounces (72
5 oz.) of mixed beverages containing not more than nine ounces (9 oz.) of distilled spirits in growlers,
6 bottles, or other containers sealed in such a way as to prevent re-opening without obvious evidence
7 that the seal was removed or broken, provided such sales shall be made in accordance with § 1.4.10
8 of the department of business regulation (DBR) liquor control administration regulations, 230-
9 RICR-30-10-1, and any other DBR regulations.

10 (1) ~~[Expires March 1, 2022]~~ Delivery of alcoholic beverages with food from a brewpub
11 licensee is prohibited.

12 SECTION 2. Section 3-7-7 of the General Laws in Chapter 3-7 entitled "Retail Licenses"
13 is hereby amended as follows:

14 **3-7-7. Class B license.**

15 (a)(1) A retailer's Class B license is issued only to a licensed bona fide tavern keeper or
16 victualer whose tavern or victualing house may be open for business and regularly patronized at
17 least from nine o'clock (9:00) a.m. to seven o'clock (7:00) p.m. provided no beverage is sold or
18 served after one o'clock (1:00) a.m., nor before six o'clock (6:00) a.m. Local licensing boards may
19 fix an earlier closing time within their jurisdiction, at their discretion. The East Greenwich town
20 council may, in its discretion, issue full and limited Class B licenses which may not be transferred,
21 but which shall revert to the town of East Greenwich if not renewed by the holder. The Cumberland
22 town council may, in its discretion, issue full and limited Class B licenses which may not be
23 transferred to another person or entity, or to another location, but which shall revert to the town of
24 Cumberland if not renewed by the holder.

25 The Pawtucket city council may, in its discretion, issue full and limited Class B licenses
26 which may not be transferred to another person or entity, or to another location, but which shall
27 revert to the city of Pawtucket if not renewed by the holder. This legislation shall not affect any
28 Class B license holders whose licenses were issued by the Pawtucket city council with the right to
29 transfer.

30 (2) The license authorizes the holder to keep for sale and sell beverages including beer in
31 cans, at retail at the place described and to deliver them for consumption on the premises or place
32 where sold, but only at tables or a lunch bar where food is served. It also authorizes the charging
33 of a cover, minimum, or door charge. The amount of the cover, or minimum, or door charge is
34 posted at the entrance of the establishments in a prominent place.

1 (i) ~~[Expires March 1, 2022]~~. A holder of a Class B license will be permitted to sell, with
2 take-out food orders, up to two (2) seven hundred fifty millimeter (750 ml) bottles of wine or the
3 equivalent volume of wine in smaller factory sealed containers, or seventy-two ounces (72 oz.) of
4 mixed wine-based drinks or single-serving wine in containers sealed in such a way as to prevent
5 re-opening without obvious evidence that the seal was removed or broken, one hundred forty-four
6 ounces (144 oz.) of beer or mixed beverages in original factory sealed containers, and one hundred
7 forty-four ounces (144 oz.) of draft beer or seventy-two ounces (72 oz.) of mixed beverages
8 containing not more than nine ounces (9 oz.) of distilled spirits in growlers, bottles, or other
9 containers sealed in such a way as to prevent re-opening without obvious evidence that the seal was
10 removed or broken, provided such sales shall be made in accordance with § 1.4.10 of the
11 department of business regulation (DBR) liquor control administration regulations, 230-RICR-30-
12 10-1, and any other DBR regulations.

13 (ii) ~~[Expires March 1, 2022]~~. Delivery of alcoholic beverages with food from a Class B
14 licensee is prohibited.

15 (3) Holders of licenses are not permitted to hold dances within the licensed premises unless
16 proper permits have been properly obtained from the local licensing authorities.

17 (4) Any holder of a Class B license may, upon the approval of the local licensing board
18 and for the additional payment of two hundred dollars (\$200) to five hundred dollars (\$500), open
19 for business at twelve o'clock (12:00) p.m. and on Fridays and Saturdays and the night before legal
20 state holidays may close at two o'clock (2:00) a.m. All requests for a two o'clock (2:00) a.m. license
21 shall be advertised by the local licensing board in a newspaper having a circulation in the county
22 where the establishment applying for the license is located.

23 (5) A holder of a retailer's Class B license is allowed to erect signs advertising his or her
24 business and products sold on the premises, including neon signs, and is allowed to light those signs
25 during all lawful business hours, including Sundays and holidays.

26 (6) Notwithstanding the provisions of subsection (a) and/or § 3-7-16.4, a holder of a retail
27 class B and/or class ED license may apply to the municipality in which the licensee is located for
28 a permit to conduct a so-called "Lock-In Event", under the following conditions:

29 (i) A "Lock-In Event" is defined as an event where a specified group of individuals are
30 permitted to remain in a licensed premises after closing hours including, but not limited to, the
31 hours of 1:00 a.m. to 6:00 a.m.

32 (ii) A Lock-In Event must have the approval of the municipal licensing authority pursuant
33 to a permit issued for each such event, subject to such conditions as may attach to the permit. The
34 fee for the permit shall be not less than fifty dollars (\$50.00) nor more than one hundred dollars

1 (\$100). The granting or denial of a Lock-In Event permit shall be in the sole discretion of the
2 municipal licensing authority and there shall be no appeal from the denial of such a permit.

3 (iii) During the entire period of any Lock-In Event, all alcoholic beverages must be secured
4 in place or removed from the public portion of the premises and secured to the satisfaction of the
5 municipality issuing the Lock-In Event permit.

6 (iv) During the Lock-In Event, the establishment shall be exclusively occupied by the
7 Lock-In Event participants and no other patrons shall be admitted to the premises who are not
8 participants. It shall be a condition of the permit that participants shall not be admitted more than
9 thirty (30) minutes after the permitted start time of the Lock-In Event, except in the event of
10 unforeseen travel delays, nor permitted to re-enter the event if they leave the licensed premises.

11 (v) As part of the Lock-In Event, food shall be served.

12 (vi) The municipal licensing authority may, in its sole discretion, require the presence of a
13 police detail, for some or all of the event, and the number of officers required, if any, shall be
14 determined by the municipality as part of the process of issuing the Lock-In Event permit. The
15 licensee shall be solely responsible for the cost of any such required police detail.

16 (b) The annual license fee for a tavern keeper shall be four hundred dollars (\$400) to two
17 thousand dollars (\$2,000), and for a victualer the license fee shall be four hundred dollars (\$400)
18 to two thousand dollars (\$2,000). In towns with a population of less than two thousand five hundred
19 (2,500) inhabitants, as determined by the last census taken under the authority of the United States
20 or the state, the fee for each retailer's Class B license shall be determined by the town council, but
21 shall in no case be less than three hundred dollars (\$300) annually. If the applicant requests it in his
22 or her application, any retailer's Class B license may be issued limiting the sale of beverages on the
23 licensed premises to malt and vinous beverages containing not more than twenty percent (20%)
24 alcohol by volume, and the fee for that limited Class B license shall be two hundred dollars (\$200)
25 to one thousand five hundred dollars (\$1,500) annually. The fee for any Class B license shall in
26 each case be prorated to the year ending December 1 in every calendar year.

27 (1) Upon the approval and designation of a district or districts within its city or town by
28 the local licensing board, the local licensing board may issue to any holder of a Class B license or
29 a Class ED license, an extended hours permit to extend closing hours on Thursdays, Fridays and
30 Saturdays, the night before a legal state holiday or such other days as determined by the local board,
31 for one hour past such license holder's legal closing time as established by the license holder's
32 license or licenses including, but not limited to, those issued pursuant to subsection (a)(4) of this
33 section. The extended hours permit shall not permit the sale of alcohol during the extended one-
34 hour period and shall prohibit the admittance of new patrons in the establishment during the

1 extended one-hour period. The designation of such district(s) shall be for a duration of not less than
2 six (6) months. Prior to designating any such district, the local licensing authority shall hold a
3 hearing on the proposed designation. The proposed designation shall include the boundaries of the
4 proposed district, the applicable days for the extended hours, and the duration of the designation
5 and the conditions imposed. The proposed designation shall be advertised at least once per week
6 for three (3) weeks prior to the hearing in a newspaper in general circulation in the city or town.
7 The city or town will establish an application process for an extended hours permit for such license
8 holder and may adopt rules and regulations to administer the permit.

9 SECTION 3. Section 21-27-1 of the Rhode Island General Laws in Chapter 21-27 entitled
10 "Sanitation in Food Establishments" is hereby amended to read as follows:

11 **21-27-1. Definitions.**

12 Unless otherwise specifically provided in this chapter, the following definitions apply to
13 this chapter:

14 (1) "Approved" means approved by the director.

15 (2) "Commissary" means ~~a central processing establishment where food is prepared for~~
16 ~~sale or service off the premises or by mobile vendor~~ an operating base location to which a mobile
17 food establishment or transportation vehicle returns regularly for such things as food preparation,
18 food storage, vehicle and equipment cleaning, discharging liquid or solid wastes, refilling water
19 tanks and ice bins.

20 (3) "Cottage food manufacture" means the production in accordance with the requirements
21 of § 21-27-6.2 of allowable foods for retail sale directly to the consumer in a residential kitchen or
22 a rented commercial kitchen licensed by the department.

23 (4) "Cultural heritage education facility" means a facility for up to ten (10) individuals who,
24 for a fee, participate in the preparation and consumption of food, limited to an owner-occupied site
25 documented to be at least one hundred and fifty (150) years old and whose drinking water shall be
26 obtained from an approved source which meets all of the requirements of chapter 46-13.

27 ~~(3)~~ (5) "Department" means the department of health.

28 ~~(4)~~ (6) "Director" means the director of health or the director's duly appointed agents.

29 ~~(5)~~ (7) "Farmers market" means a market where two (2) or more farmers are selling
30 produce exclusively grown on their own farms on a retail basis to consumers. Excluded from this
31 term is any market where farmers or others are selling produce at wholesale and/or any market in
32 which any individual is selling produce not grown on his or her own farm.

33 ~~(6)~~ (8) "Farm home food manufacture" means the production in accordance with the
34 requirements of § 21-27-6.1 of food for retail sale in a residential kitchen on a farm which produces

1 agricultural products for human consumption and the operator of which is eligible for exemption
2 from the sales and use tax in accordance with § 44-18-30(32).

3 ~~(7)~~ (9) "Food" means: (i) articles used for food or drink for people or other animals, (ii)
4 chewing gum, and (iii) articles used for components of any food or drink article.

5 ~~(8)~~ (10) "Food business" means and includes any establishment or place, whether fixed or
6 mobile, where food or ice is held, processed, manufactured, packaged, prepared, displayed, served,
7 transported, or sold.

8 ~~(9)~~ (11) "Food service establishment" means any fixed or mobile restaurant, coffee shop,
9 cafeteria, short-order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern; bar,
10 cocktail lounge, night club, roadside stand, industrial feeding establishment, cultural heritage
11 education facility, private, public or nonprofit organization or institution routinely serving food,
12 catering kitchen, commissary or similar place in which food or drink is prepared for sale or for
13 service on the premises or elsewhere, and any other eating or drinking establishment or operation
14 where food is served or provided for the public with or without charge.

15 ~~(10)~~ (12) "Mobile food service unit" means a unit that prepares and/or sells food products
16 for direct consumption.

17 (13) "Operator" in relation to food vending machines means any person who by contract,
18 agreement, lease, rental, or ownership sells food from vending machines.

19 ~~(11)~~ (14) "Person" means any individual, firm, co-partnership, association, or private or
20 municipal corporation.

21 ~~(12)~~ (15) "Processor" means one who combines, handles, manufactures or prepares,
22 packages, and stores food products.

23 ~~(13) "Operator" in relation to food vending machines means any person who by contract,~~
24 ~~agreement, lease, rental, or ownership sells food from vending machines.~~

25 ~~(14)~~ (16) "Retail" means when eighty percent (80%) or more of sales are made directly to
26 consumers.

27 ~~(15)~~ (17) "Retail peddler" means a food business which sells meat, seafood, and dairy
28 products directly to the consumer, house to house or in a neighborhood.

29 ~~(16)~~ (18) "Roadside farmstand" means a stand or location adjacent to a farm where produce
30 grown only on that farm is sold at the time of harvest.

31 ~~(17)~~ (19) "Vending machine site or location" means the room, enclosure, space, or area
32 where one or more vending machines are installed and/or operated.

1 ~~(18)~~ (20) "Warehouse" means a place for the storage of dried, fresh, or frozen food or food
2 products, not including those areas associated within or directly part of a food service establishment
3 or retail market.

4 ~~(19)~~ (21) "Wholesale" means when eighty percent (80%) or more of the business is for
5 resale purposes.

6 ~~(20) "Cultural heritage education facility" means a facility for up to ten (10) individuals
7 who, for a fee, participate in the preparation and consumption of food, limited to an owner-occupied
8 site documented to be at least one hundred fifty (150) years old and whose drinking water shall be
9 obtained from an approved source which meets all of the requirements of chapter 46-13.~~

10 SECTION 4. Chapter 21-27 of the Rhode Island General Laws entitled "Sanitation in Food
11 Establishments" is hereby amended by adding thereto the following section:

12 **21-27-6.2. Cottage food manufacture.**

13 Notwithstanding the other provisions of this chapter, the department of health shall register
14 cottage food manufacture and the sale of the products of cottage food manufacture direct to
15 consumers whether by pickup or delivery within the state, provided that the requirements of this
16 section are met.

17 (1) The cottage food products shall be produced in a kitchen that is on the premises of a
18 home and meets the standards for kitchens as provided for in minimum housing standards, adopted
19 pursuant to chapter 24.2 of title 45 and the Housing Maintenance and Occupancy Code, adopted
20 pursuant to chapter 24.3 of title 45, and in addition the kitchen shall:

21 (i) Be equipped at minimum with either a two (2) compartment sink or a dishwasher that
22 reaches one hundred fifty (150) degrees Fahrenheit after the final rinse and drying cycle and a one
23 compartment sink;

24 (ii) Have sufficient area or facilities, such as portable dish tubs and drain boards, for the
25 proper handling of soiled utensils prior to washing and of cleaned utensils after washing so as not
26 to interfere with safe food handling; equipment, utensils, and tableware shall be air dried;

27 (iii) Have drain boards and food preparation surfaces that shall be of a nonabsorbent,
28 corrosion resistant material such as stainless steel, formica or other chip resistant, nonpitted surface;

29 (iv) Have self-closing doors for bathrooms that open directly into the kitchen;

30 (v) If the home is on private water supply, the water supply must be tested once per year;

31 (vi) Notwithstanding this subsection, the cottage food products may also be produced in a
32 commercial kitchen licensed by the department and is leased or rented by the cottage food registrant
33 provided that a record be maintained as to the dates the commercial kitchen was used and that

1 ingredients used in the production of cottage foods are transported according to applicable food
2 safety standards and regulations promulgated by the department.

3 (2) The cottage food products are prepared and produced ready for sale under the following
4 conditions:

5 (i) Pets are kept out of food preparation and food storage areas at all times;

6 (ii) Cooking facilities shall not be used for domestic food purposes while cottage food
7 products are being prepared;

8 (iii) Garbage is placed and stored in impervious covered receptacles before it is removed
9 from the kitchen, which removal shall be at least once each day that the kitchen is used for cottage
10 food manufacture;

11 (iv) Any laundry facilities which may be in the kitchen shall not be used during cottage
12 food manufacture;

13 (v) Recipe(s) for each cottage food product with all the ingredients and quantities listed,
14 and processing times and procedures, are maintained in the kitchen for review and inspection;

15 (vi) An affixed label that contains:

16 (A) Name, address, and telephone number;

17 (B) The ingredients of the cottage food product, in descending order of predominance by
18 weight or volume;

19 (C) Allergen information, as specified by federal and state labeling requirements, such as
20 milk, eggs, tree nuts, peanuts, wheat, and soybeans; and

21 (D) The following statement printed in at least ten-point type in a clear and conspicuous
22 manner that provides contrast to the background label: "Made by a Cottage Food Business
23 Registrant that is not Subject to Routine Government Food Safety Inspection," unless products
24 have been prepared in a commercial kitchen licensed by the department.

25 (3) Cottage food manufacture shall be limited to the production of baked goods that do not
26 require refrigeration or time/temperature control for safety, including but not limited to:

27 (i) Double crust pies;

28 (ii) Yeast breads;

29 (iii) Biscuits, brownies, cookies, muffins; and

30 (iv) Cakes that do not require refrigeration or temperature-controlled environment; and

31 (v) Other baked goods as defined by the department.

32 (4) Each cottage food manufacturer shall be registered with the department of health and
33 shall require a notarized affidavit of compliance, in any form that the department may require, from
34 the applicant that the requirements of this section have been met and the operation of the kitchen

1 shall be in conformity with the requirements of this section. Prior to the initial registration, each
2 cottage food manufacturer is required to successfully complete a Food Safety Instructor Training
3 Course approved by the department pursuant to § 21-27-11.3. A certificate of registration shall be
4 issued by the department upon the payment of a fee as set forth in § 23-1-54 and the submission of
5 an affidavit of compliance. The certificate of registration shall be valid for one year after the date
6 of issuance; provided, however, that the certificate may be revoked by the director at any time for
7 noncompliance with the requirements of the section. The certificate of registration, with a copy of
8 the affidavit of compliance, shall be kept in the kitchen where the cottage food manufacture takes
9 place. The director of health shall have the authority to develop and issue a standard form for the
10 affidavit of compliance to be used by persons applying for a certificate of registration; the form
11 shall impose no requirements or certifications beyond those set forth in this section and § 21-27-
12 1(6). No certificates of registration shall be issued by the department prior to November 1, 2022.

13 (5) No such operation shall engage in consignment or wholesale sales. The following
14 additional locational sales by any such cottage food operation shall be prohibited: (1) Grocery
15 stores; (2) restaurants; (3) long-term care facilities; (4) group homes; (5) day care facilities; and (6)
16 schools. Advertising and sales by Internet, mail and phone are permissible, provided the cottage
17 food licensee or their designee shall deliver, in person, to the customer within the state.

18 (6) Total annual gross sales for a cottage food operation shall not exceed twenty-five
19 thousand dollars (\$25,000) per calendar year. If annual gross sales exceed the maximum annual
20 gross sales amount allowed, the cottage food registrant shall either obtain food processor license or
21 cease operations. The director of health may request documentation to verify the annual gross sales
22 figure of any cottage food operation.

23 (7) Sales on all cottage foods are subject to applicable sales tax pursuant to § 44-18-7.

24 (8) The director of health or designee may inspect a cottage food operation at any time to
25 ensure compliance with the provisions of this section. Nothing in this section shall be construed to
26 prohibit the director of health or designee of the director from investigating the registered area of a
27 cottage food operation in response to a foodborne illness outbreak, consumer complaint or other
28 public health emergency.

29 SECTION 5. Section 23-1-54 of the Rhode Island General Laws in Chapter 23-1 entitled
30 “Health and Safety” is hereby amended to read as follows:

31 **23-1-54. Fees payable to the department of health.**

32 Fees payable to the department shall be as follows:

33 PROFESSION	RIGL Section	Description of Fee	FEE
34 Barbers/hairdressers	5-10-10(a)	Renewal application	\$25.00

1	Barbers/hairdressers	5-10-10(a)	Renewal application:	
2	Manicuring		Instructors and manicurists	\$25.00
3	Barbers/hairdressers	5-10-10(b)	Minimum late renewal fee	\$25.00
4	Barbers/hairdressers	5-10-10(b)	Maximum late renewal fee	\$ 100.00
5	Barbers/hairdressers	5-10-11[c]	Application fee	\$25.00
6	Barbers/hairdressers	5-10-11[c]	Application fee: manicuring	
7			Instructors and manicurists	\$25.00
8	Barbers/hairdressers	5-10-13	Demonstrator's permit	\$90.00
9	Barbers/hairdressers	5-10-15	Shop license: initial	\$170.00
10	Barbers/hairdressers	5-10-15	Shop license: renewal	\$170.00
11	Veterinarians	5-25-10	Application fee	\$40.00
12	Veterinarians	5-25-11	Examination fee	\$540.00
13	Veterinarians	5-25-12(a)	Renewal fee	\$580.00
14	Veterinarians	5-25-12[c]	Late renewal fee	\$120.00
15	Podiatrists	5-29-7	Application fee	\$240.00
16	Podiatrists	5-29-11	Renewal fee: minimum	\$240.00
17	Podiatrists	5-29-11	Renewal fee: maximum	\$540.00
18	Podiatrists	5-29-13	Limited registration	\$65.00
19	Podiatrists	5-29-14	Limited registration:	
20			Academic faculty	\$240.00
21	Podiatrists	5-29-14	Application fee:	
22			Renewal maximum	\$440.00
23	Chiropractors	5-30-6	Examination fee:	\$210.00
24	Chiropractors	5-30-7	Examination exemption fee:	\$210.00
25	Chiropractors	5-30-8(b)	Exam Physiotherapy	\$210.00
26	Chiropractors	5-30-8(b)	Exam chiro and physiotherapy	\$210.00
27	Chiropractors	5-30-12	Renewal fee	\$210.00
28	Dentists/dental hygienists	5-31.1-6(d)	Dentist: application fee	\$965.00
29	Dentists/dental hygienists	5-31.1-6(d)	Dental hygienist: application fee	\$65.00
30	Dentists/dental hygienists	5-31.1-6(d)	Reexamination: dentist	\$965.00
31	Dentists/dental hygienists	5-31.1-6(d)	Reexamination: hygienist	\$65.00
32	Dentists/dental hygienists	5-31.1-21(b)	Reinstatement fee dentist	\$90.00
33	Dentists/dental hygienists	5-31.1-21(b)	Reinstatement fee hygienist	\$90.00
34	Dentists/dental hygienists	5-31.1-21(c)	Inactive status: dentist	\$220.00

1	Dentists/dental hygienists	5-31.1-21(c)	Inactive status: hygienist	\$40.00
2	Dentists/dental hygienists	5-31.1-22	Limited registration	\$65.00
3	Dentists/dental hygienists	5-31.1-23[c]	Limited reg: Academic faculty	\$965.00
4	Dentists/dental hygienists	5-31.1-23[c]	Limited reg: Academic faculty renewal	\$500.00
5	Electrolysis	5-32-3	Application fee	\$25.00
6	Electrolysis	5-32-6(b)	Renewal fee	\$25.00
7	Electrolysis	5-32-7	Reciprocal license fee	\$25.00
8	Electrolysis	5-32-17	Teaching license	\$25.00
9	Funeral directors/embalmers	5-33.2-12	Funeral establishment license	\$120.00
10	Funeral services establishments			
11	Funeral directors/embalmers	5-33.2-15	Renewal: funeral/director	\$90.00
12	Funeral services establishments			
13	embalmer			\$30.00
14	Funeral directors/embalmers	5-33.2-12	Funeral branch ofc license	\$90.00
15	Funeral directors/embalmers	5-33.2-13.1	Crematories: application fee	\$120.00
16	Funeral services establishments			
17	Funeral directors/embalmers	5-33.2-15	Renewal: funeral/director	
18	Funeral Svcs establishments			
19	establishment			\$120.00
20	Funeral directors/embalmers	5-33.2-15	Additional branch office	
21	Funeral services Establishments			
22	licenses			\$120.00
23	Funeral directors/embalmers	5-33.2-15	Crematory renewal fee	
24	Funeral svcs establishments			\$120.00
25	Funeral directors/embalmers	5-33.2-15	Late renewal fee	
26	Funeral svcs establishments			
27	(All license types)			\$25.00
28	Funeral directors/embalmers	5-33.2-16(a)	Intern registration fee	
29	Funeral Services establishments			\$25.00
30	Nurses	5-34-12	RN Application fee	\$135.00
31	Nurses	5-34-16	LPN Application fee	\$45.00
32	Nurses	5-34-19	Renewal fee: RN	\$135.00
33	Nurses	5-34-19	Renewal fee: LPN	\$45.00
34	Nurses	5-34-37	RNP application fee	\$80.00

1	Nurses	5-34-37	RNP renewal fee	\$80.00
2	Nurses	5-34-37	RNP prescriptive privileges	\$65.00
3	Nurses	5-34-40.3	Clin nurse spec application	\$80.00
4	Nurses	5-34-40.3	Clin nurse spec renewal	\$80.00
5	Nurses	5-34-40.3	Clin nurse spec Rx privilege	\$65.00
6	Nurse anesthetists	5-34.2-4(a)	CRNA application fee	\$80.00
7	Nurse anesthetists	5-34.2-4(b)	CRNA renewal fee	\$80.00
8	Optometrists	5-35.1-4	Application fee	\$280.00
9	Optometrists	5-35.1-7	Renewal fee	\$280.00
10	Optometrists	5-35.1-7	Late fee	\$90.00
11	Optometrists	5-35.1-7	Reactivation of license fee	\$65.00
12	Optometrists	5-35.1-19(b)	Violations of section	\$650.00
13	Optometrists	5-35.1-20	Violations of chapter	\$260.00
14	Opticians	5-35.2-3	Application fee	\$30.00
15	Physicians	5-37-2	Application fee	\$1,090.00
16	Physicians	5-37-2	Re-examination fee	\$1,090.00
17	Physicians	5-37-10(b)	Late renewal fee	\$170.00
18	Physicians	5-37-16	Limited registration fee	\$65.00
19	Physicians	5-37-16.1	Ltd reg: academic faculty	\$600.00
20	Physicians	5-37-16.1	Ltd reg: Faculty renewal	\$170.00
21	Acupuncture	5-37.2-10	Application fee	\$310.00
22	Acupuncture	5-37.2-13(4)	Acupuncture assistant	\$310.00
23			Licensure fee	\$170.00
24	Social workers	5-39.1-9	Application fee	\$70.00
25	Social workers	5-39.1-9	Renewal fee	\$70.00
26	Physical therapists	5-40-8	Application fee	\$155.00
27	Physical therapists	5-40-8.1	Application: physical therapy assistants	\$50.00
28	Physical therapists	5-40-10(a)	Renewal fee: Physical therapists	\$155.00
29	Physical therapists	5-40-10(a)	Renewal fee: Physical therapy assistants	\$50.00
30	Physical therapists	5-40-10[c]	Late renewals	\$50.00
31	Occupational therapists	5-40.1-12(2)	Renewal fee	\$140.00
32	Occupational therapists	5-40.1-12(5)	Late renewal fee	\$50.00
33	Occupational therapists	5-40.1-12(b)	Reactivation fee	\$140.00
34	Occupational therapists	5-40.1-13	Application fee	\$140.00

1	Psychologists	5-44-12	Application fee	\$230.00
2	Psychologists	5-44-13	Temporary permit	\$120.00
3	Psychologists	5-44-15[c]	Renewal fee	\$230.00
4	Psychologists	5-44-15(e)	Late renewal fee	\$50.00
5	Nursing home administrators	5-45-10	Renewal fee	\$160.00
6	Speech pathologist/audiologists	5-48-1(14)	Speech lang support personnel:	
7			late filing	\$90.00
8	Speech pathologist/audiologists	5-48-9(a)	Application fee: Audiologist	\$65.00
9	Speech pathologist/audiologists	5-48-9(a)	Application fee: Speech Pathologist	\$145.00
10	Speech pathologist/audiologists	5-48-9(a)	Renewal fee: Audiologist	\$65.00
11	Speech pathologist/audiologists	5-48-9(a)	Renewal fee: Speech Pathologist	\$145.00
12	Speech pathologist/audiologists	5-48-9(a)	Provisional license: renewal fee	\$65.00
13	Speech pathologist/audiologists	5-48-9(b)	Late renewal fee	\$50.00
14	Speech pathologist/audiologists	5-48-9(d)(1)	Reinstatement fee: audiologist	\$65.00
15	Speech pathologist/audiologists	5-48-9(d)(1)	Reinstatement fee: audiologist	\$65.00
16			speech pathologists	\$145.00
17			personnel: late filing	\$65.00
18	Hearing aid dealers/fitters	5-49-6(a)	License endorsement Examination fee	\$25.00
19	Hearing aid dealers/fitters	5-49-6(b)	Temporary permit fee	\$25.00
20	Hearing aid dealers/fitters	5-49-6(d)	Temporary permit renewal fee	\$35.00
21	Hearing aid dealers/fitters	5-49-11(a)(1)	License fee	\$25.00
22	Hearing aid dealers/fitters	5-49-11(b)	License renewal fee	\$25.00
23	Hearing aid dealers/fitters	5-49-11[c]	License renewal late fee	\$25.00
24	Physician assistants	5-54-9(4)	Application fee	\$110.00
25	Physician assistants	5-54-11(b)	Renewal fee	\$110.00
26	Orthotics/prosthetic practice	5-59.1-5	Application fee	\$120.00
27	Orthotics/prosthetic practice	5-59.1-12	Renewal fee	\$120.00
28	Athletic trainers	5-60-11	Application fee	\$60.00
29	Athletic trainers	5-60-11	Renewal fee	\$60.00
30	Athletic trainers	5-60-11	Late renewal fee	\$25.00
31	Mental health counselors			
32	Marriage and family therapists	5-63.2-16	Application fee: Marriage	
33			Family therapist	\$130.00
34	Mental health counselors			

1	Marriage and family therapists	5-63.2-16	Application fee: Mental	
2			health counselors	\$70.00
3	Mental health counselors			
4	Marriage and family therapists	5-63.2-16	Reexamination fee:	
5			Marriage/family therapist	\$130.00
6	Mental health counselors			
7	Marriage and family therapists	5-63.2-16	Reexamination fee:	
8			Mental health counselors	\$70.00
9	Mental health counselors			
10	Marriage and family therapists	5-63.2-17(a)	Renewal fee: Marriage	
11			Family therapist	\$130.00
12	Mental health counselors			
13	Marriage and family therapists	5-63.2-17(a)	Renewal fee: Mental	
14			health counselors	\$50.00
15	Mental health counselors			
16	Marriage and family therapists	5-63.2-17(b)	Late Renewal fee:	
17			Marriage Family therapist	\$90.00
18	Dieticians/nutritionists	5-64-6(b)	Application fee	\$75.00
19	Dieticians/nutritionists	5-64-7	Graduate status:	
20			Application fee:	\$75.00
21	Dieticians/nutritionists	5-64-8	Renewal fee	\$75.00
22	Dieticians/nutritionists	5-64-8	Reinstatement fee	\$75.00
23	Radiologic technologists	5-68.1-10	Application fee maximum	\$190.00
24	Licensed chemical			
25	dependency professionals	5-69-9	Application fee	\$75.00
26	Licensed chemical			
27	dependency professionals	5-69-9	Renewal fee	\$75.00
28	Licensed chemical	5-69-9	Application fee	\$75.00
29	Licensed chemical			
30	dependency professionals	5-69-9	Application fee	\$75.00
31	Licensed chemical			
32	dependency professionals	5-69-9	Renewal fee	\$75.00
33	Deaf interpreters	5-71-8(a)(3)	License fee maximum	\$25.00
34	Deaf interpreters	5-71-8(a)(3)	License renewal fee	\$25.00

1	Milk producers	21-2-7(g)(1)	In-state milk processor	\$160.00
2	Milk producers	21-2-7(g)(2)	Out-of-state milk processor	\$160.00
3	Milk producers	21-2-7(g)(3)	Milk distributors	\$160.00
4	Frozen desserts	21-9-3(1)	In-state wholesale	\$550.00
5	Frozen desserts	21-9-3(2)	Out-of-state wholesale	\$160.00
6	Frozen desserts	21-9-3(3)	Retail frozen dess processors	\$160.00
7	Meats	21-11-4	Wholesale	\$160.00
8	Meats	21-11-4	Retail	\$40.00
9	Shellfish packing houses	21-14-2	License fee: Shipper/reshipper	\$320.00
10	Shellfish packinghouses	21-14-2	License fee:Shucker packer/repacker	\$390.00
11	Non-alcoholic bottled			
12	beverages, drinks & juices	21-23-2	Bottler permit	\$550.00
13	Non-alcoholic bottled			
14	beverages, drinks & juices	21-23-2	Bottle apple cider fee	\$60.00
15	Farm home food manufacturers	21-27-6.1(4)	Registration fee	\$65.00
16	<u>Cottage Food Manufacturers</u>	<u>21-27-6.2(4)</u>	<u>Registration fee</u>	<u>\$65.00</u>
17	Food businesses	21-27-10(e)(1)	Food processors wholesale	\$300.00
18	Food businesses	21-27-10(e)(2)	Food processors retail	\$120.00
19	Food businesses	21-27-10(e)(3)	Food service establishments	
20			50 seats or less	\$160.00
21	Food businesses	21-27-10(e)(3)	Food service establishments	
22			more than 50 seats	\$240.00
23	Food businesses	21-27-10(e)(3)	Mobile food service units	\$100.00
24	Food businesses	21-27-10(e)(3)	Industrial caterer or food vending	
25			Machine commissary	\$280.00
26	Food businesses	21-27-10(e)(3)	Cultural heritage educational Faculty	\$80.00
27	Food businesses	21-27-10(e)(4)	Vending Machine	
28			Location 3 units or less	\$50.00
29	Food businesses	21-27-10(e)(4)	Vending Machine	
30			Location 4-10 units	\$100.00
31	Food businesses	21-27-10(e)(4)	Vending Machine	
32			Location = 11 units	\$120.00
33	Food businesses	21-27-10(e)(5)	Retail Mkt 1-2 cash registers	\$120.00
34	Food businesses	21-27-10(e)(5)	Retail Market 3-5 cash registers	\$240.00

1	Food businesses	21-27-10(e)(5)	Retail Market =6 cash registers	\$510.00
2	Food businesses	21-27-10(e)(6)	Retail food peddler	\$100.00
3	Food businesses	21-27-10(e)(7)	Food warehouses	\$190.00
4	Food businesses	21-27-11.2	Certified food safety mgr	\$50.00
5	License verification fee	23-1-16.1	All license types	\$50.00
6	Tattoo and body piercing	23-1-39	Annual registration fee:Person	\$90.00
7	Tattoo and body piercing	23-1-39	Annual registration fee:Establishment	\$90.00
8	Vital records	23-3-25(a)(1)	Certificate of birth, fetal death, death,	
9			marriage, birth, or certification that	
10			such record cannot be found	\$20.00
11	Vital records	23-3-25(a)(1)	Each duplicate of certificate of birth,	
12			fetal death, death, marriage, birth, or	
13			certification that such record cannot	
14			be found	\$15.00
15	Vital records	23-3-25(a)(2)	Each additional calendar year	
16			Search, if within 3 months of original	
17			search and if receipt of original search	
18			presented	\$2.00
19	Vital records	23-3-25(a)(3)	Expedited service	\$7.00
20	Vital records	23-3-25(a)(4)	Adoptions, legitimations,	
21			or Paternity determinations	\$15.00
22	Vital records	23-3-25(a)(5)	Authorized corrections,	
23			Alterations, and additions	\$10.00
24	Vital records	23-3-25(a)(6)	Filing of delayed record and	
25			Examination of documentary Proof	\$20.00
26	Vital records	23-3-25(a)(6)	Issuance of certified copy of a	
27			delayed record	\$20.00
28	Medical Examiner	23-4-13	Autopsy reports	\$40.00
29	Medical Examiner	23-4-13	Cremation certificates	
30			and statistics	\$30.00
31	Medical Examiner	23-4-13	Testimony in civil suits:	
32			Minimum/day	\$650.00
33	Medical Examiner	23-4-13	Testimony in civil suits:	
34			Maximum/day	\$3,250.00

1	Emergency medical technicians	23-4.1-10[c]	Annual fee: ambulance	
2			service maximum	\$540.00
3	Emergency medical technicians	23-4.1-10[c]	Annual fee: vehicle	
4			license maximum	\$275.00
5	Emergency medical technicians	23-4.1-10[c]	Triennial fee: EMT	
6			license maximum	\$120.00
7	Emergency medical technicians	23-4.1-10(c)(2)	Exam fee maximum:	
8			EMT	\$120.00
9	Emergency medical technicians	23-4.1-10(c)(2)	Vehicle inspection Maximum	\$190.00
10	Clinical laboratories	23-16.2-4(a)	Clinical laboratory	
11			license per specialty	\$650.00
12	Clinical laboratories	23-16.2-4(a)	Laboratory station	
13			license	\$650.00
14	Clinical laboratories	23-16.2-4(b)	Permit fee	\$70.00
15	Health care facilities	23-17-38	Hospital: base fee annual	\$16,900.00
16	Health care facilities	23-17-38	Hospital: annual per bed fee	\$120.00
17	Health care facilities	23-17-38	ESRD: annual fee	\$3,900.00
18	Health care facilities	23-17-38	Home nursing-care/	
19			home- care providers	\$650.00
20	Health care facilities	23-17-38	OACF: annual fee	\$650.00
21	Assisted living residences/			
22	administrators	23-17.4-15.2(d)	License application fee:	\$220.00
23	Assisted living residences/			
24	administrators	23-17.4-15.2(d)	License renewal fee:	\$220.00
25	Assisted living			
26	residences	23-17.4-31	Annual facility fee:base	\$330.00
27	Assisted living			
28	residences	23-17.4-31	Annual facility per bed	\$70.00
29	Nursing assistant			
30	registration	23-17.9-3	Application: competency	
31			evaluation training program maximum	\$325.00
32	Nursing assistant			
33	registration	23-17.9-5	Application fee	\$35.00
34	Nursing assistant			

1	registration	23-17.9-5	Exam fee: skills proficiency	\$170.00
2	Nursing assistant			
3	registration	23-17.9-6	Registration fee	\$35.00
4	Nursing assistant			
5	registration	23-17.9-7	Renewal fee	\$35.00
6	Sanitarians	23-19.3-5(a)	Registration fee	\$25.00
7	Sanitarians	23-19.3-5(b)	Registration renewal	\$25.00
8	Massage therapy	23-20.8-3(e)	Massage therapist appl fee	\$65.00
9	Massage therapy	23-20.8-3(e)	Massage therapist renewal fee	\$65.00
10	Recreational facilities	23-21-2	Application fee	\$160.00
11	Swimming pools	23-22-6	Application license: first pool	\$250.00
12	Swimming pools	23-22-6	Additional pool fee at same location	\$75.00
13	Swimming pools	23-22-6	Seasonal application license: first pool	\$150.00
14	Swimming pools	23-22-6	Seasonal additional	
15			pool fee at same location	\$75.00
16	Swimming pools	23-22-6	Year-round license for non-profit	\$25.00
17	Swimming pools	23-22-10	Duplicate license	\$2.00
18	Swimming pools	23-22-12	Penalty for violations	\$50.00
19	Respiratory care practitioners	23-39-11	Application fee	\$60.00
20	Respiratory care practitioners	23-39-11	Renewal fee	\$60.00

21 SECTION 6. Sections 42-64.33-2, 42-64.33-3, 42-64.33-4, 42-64.33-5, 42-64.33-9, and
22 42-64.33-10 of the General Laws in Chapter 42-64.33 entitled "The Rhode Island Small Business
23 Development Fund" are hereby amended to read as follows:

24 **42-64.33-2. Definitions.**

25 (a) As used in this chapter:

26 (1) "Affiliate" means an entity that directly, or indirectly, through one or more
27 intermediaries, controls, or is controlled by, or is under common control with another entity. For
28 the purposes of this chapter, an entity is "controlled by" another entity if the controlling entity holds,
29 directly or indirectly, the majority voting or ownership interest in the controlled entity or has control
30 over the day-to-day operations of the controlled entity by contract or by law.

31 (2) "Applicable percentage" means zero percent (0%) for the first three (3) credit allowance
32 dates, and up to twenty-one and one-half percent (21.5%) for the fourth, fifth, and sixth credit
33 allowance dates.

1 (3) "Capital investment" means any equity or debt investment in a small business
2 development fund by a small business fund investor that:

3 (i) Is acquired after July 5, 2019, at its original issuance solely in exchange for cash;

4 (ii) Has one hundred percent (100%) of its cash purchase price used by the small business
5 development fund to make qualified investments in eligible businesses located in this state within
6 three (3) years of the initial credit allowance date; and

7 (iii) Is designated by the small business development fund as a capital investment under
8 this chapter and is certified by the corporation pursuant to § 42-64.33-4. This term shall include
9 any capital investment that does not meet the provisions of § 42-64.33-4(a) if the investment was
10 a capital investment in the hands of a prior holder.

11 (4) "Corporation" means the Rhode Island commerce corporation.

12 (5) "Credit allowance date" means the date on which a capital investment is made and each
13 of the five (5) anniversary dates of the date thereafter.

14 (6) "Eligible business" means a business that, at the time of the initial qualified investment
15 in the company:

16 (i) Has less than two hundred fifty (250) employees;

17 (ii) Has not more than fifteen million dollars (\$15,000,000) in net income from the
18 preceding tax year;

19 (iii) Has its principal business operations in this state; and

20 (iv) Is engaged in industries related to clean energy, biomedical innovation, life sciences,
21 information technology, software, cyber physical systems, cybersecurity, data analytics, defense,
22 shipbuilding, maritime, composites, advanced business services, design, food, manufacturing,
23 transportation, distribution, logistics, arts, education, hospitality, tourism, or, if not engaged in the
24 industries, the corporation makes a determination that the investment will be beneficial to the
25 economic growth of the state.

26 (7) "Eligible distribution" means, [as approved by the corporation in relation to an](#)
27 [application](#):

28 (i) A distribution of cash to one or more equity owners of a small business fund investor to
29 fully or partially offset a projected increase in the owner's federal or state tax liability, including
30 any penalties and interest, related to the owner's ownership, management, or operation of the small
31 business fund investor;

32 (ii) A distribution of cash as payment of interest and principal on the debt of the small
33 business fund investor or small business development fund; or

1 (iii) A distribution of cash related to the reasonable costs and expenses of forming,
2 syndicating, managing, and operating the small business fund investor or the small business
3 development fund, or a return of equity or debt to affiliates of a small business fund investor or
4 small business development fund. The distributions may include reasonable and necessary fees paid
5 for professional services, including legal and accounting services, related to the formation and
6 operation of the small business development fund.

7 (8) "Jobs created" means a newly created position of employment that was not previously
8 located in the state at the time of the qualified investment in the eligible business and requiring a
9 minimum of thirty five (35) hours worked each week, measured each year by subtracting the
10 number of full-time, thirty-five hours-per-week (35) employment positions at the time of the initial
11 qualified investment in the eligible business from the monthly average of full-time, thirty-five
12 hours-per-week (35) employment positions for the applicable year. The number shall not be less
13 than zero.

14 (9) "Jobs retained" means a position requiring a minimum of thirty-five (35) hours worked
15 each week that existed prior to the initial qualified investment. Retained jobs shall be counted each
16 year based on the monthly average of full-time, thirty-five hours-per-week (35) employment
17 positions for the applicable year. The number shall not exceed the initial amount of retained jobs
18 reported and shall be reduced each year if employment at the eligible business concern drops below
19 that number.

20 (10) "Minority business enterprise" means an eligible business which is certified by the
21 Rhode Island office of diversity, equity and opportunity as being a minority or women business
22 enterprise.

23 (11) "Principal business operations" means the location where at least sixty percent (60%)
24 of a business's employees work or where employees who are paid at least sixty percent (60%)
25 percent of the business's payroll work. A business that has agreed to relocate employees using the
26 proceeds of a qualified investment to establish its principal business operations in a new location
27 shall be deemed to have its principal business operations in the new location if it satisfies these
28 requirements no later than one hundred eighty (180) days after receiving a qualified investment.

29 (12) "Purchase price" means the amount paid to the small business development fund that
30 issues a capital investment that shall not exceed the amount of capital investment authority certified
31 pursuant to § 42-64.33-4.

32 (13) "Qualified investment" means any investment in an eligible business or any loan to an
33 eligible business with a stated maturity date of at least one year after the date of issuance, excluding
34 revolving lines of credit and senior secured debt unless the eligible business has a credit refusal

1 letter or similar correspondence from a depository institution or a referral letter or similar
2 correspondence from a depository institution referring the business to a small business development
3 fund; provided that, with respect to any one eligible business, the maximum amount of investments
4 made in the business by one or more small business development funds, on a collective basis with
5 all of the businesses' affiliates, with the proceeds of capital investments shall be twenty percent
6 (20%) of the small business development fund's capital investment authority, exclusive of
7 investments made with repaid or redeemed investments or interest or profits realized thereon. An
8 eligible business, on a collective basis with all of the businesses' affiliates, is prohibited from
9 receiving more than four million dollars (\$4,000,000) in investments from one or more small
10 business development funds with the proceeds of capital investments.

11 (14) "Small business development fund" means an entity certified by the corporation under
12 § 42-64.33-4.

13 (15) "Small business fund investor" means an entity that makes a capital investment in a
14 small business development fund.

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

16 (17) "State tax liability" means any liability incurred by any entity under ~~§ 44-17-1 et seq.~~
17 [chapters 11, 13, 14, 17 and 30, of title 44.](#)

18 **42-64.33-3. Tax credit established.**

19 (a) Upon making a capital investment in a small business development fund, a small
20 business fund investor earns a vested right to a credit against the entity's state tax liability that may
21 be utilized on each credit allowance date of the capital investment in an amount equal to the
22 applicable percentage for the credit allowance date multiplied by the purchase price paid to the
23 small business development fund for the capital investment. The amount of the credit claimed by
24 any entity shall not ~~exceed~~ [reduce](#) the amount of the entity's state tax liability for the tax year for
25 which the credit is claimed [beyond the entity's state minimum tax](#). Any amount of credit that an
26 entity is prohibited from claiming in a taxable year as a result of this section may be carried forward
27 for a period of seven (7) years. It is the intent of this chapter that an entity claiming a credit under
28 this section is not required to pay any additional tax that may arise as a result of claiming the credit.

29 (b) No credit claimed under this section shall be refundable ~~or saleable on the open market.~~
30 Credits earned by or allocated to a partnership, limited liability company, or S corporation may be
31 allocated to the partners, members, or shareholders of the entity for their direct use for state tax
32 liability as defined in this chapter in accordance with the provisions of any agreement among the
33 partners, members, or shareholders, and a small business development fund must notify the
34 corporation of the names of the entities that are eligible to utilize credits pursuant to an allocation

1 of credits or a change in allocation of credits or due to a transfer of a capital investment upon the
2 allocation, change, or transfer. ~~The allocation shall be not considered a sale for purposes of this~~
3 ~~section.~~ Credits may be assigned, transferred, conveyed or sold by an owner or holder of such
4 credits.

5 (c) The corporation shall provide copies of issued certificates to the division of taxation;
6 such certificates shall include information deemed necessary by the division of taxation for tax
7 administration.

8 42-64.33-4. Application, approval and allocations.

9 (a) The corporation shall publicly solicit applicants and approve applications through a
10 selection process. A small business development fund that seeks to have an equity or debt
11 investment certified as a capital investment and eligible for credits under this chapter shall apply to
12 the corporation ~~The corporation shall begin accepting applications within ninety (90) days of July~~
13 ~~5, 2019.~~ in response to a public solicitation. The ~~small business development fund~~ application shall
14 include the following:

15 (1) The amount of capital investment requested;

16 (2)(A) A copy of the applicant's or an affiliate of the applicant's license as a rural business
17 investment company under 7 U.S.C. § 2009cc, or as a small business investment company under
18 15 U.S.C. § 681, and a certificate executed by an executive officer of the applicant attesting that
19 the license remains in effect and has not been revoked; or (B) evidence satisfactory to the
20 corporation that the applicant is a mission-oriented community financial institution such as a
21 community development financial institution, minority depository institution, certified
22 development company, microloan intermediary, or an organization with demonstrated experience
23 of making capital investments in small businesses.

24 (3) ~~Evidence that, as of the date the application is submitted, the applicant or affiliates of~~
25 ~~the applicant have invested at least one hundred million dollars (\$100,000,000) in nonpublic~~
26 ~~companies;~~

27 ~~(4)~~ An estimate of the number of jobs that will be created or retained in this state as a result of the
28 applicant's qualified investments;

29 ~~(4)~~ A business plan that includes a strategy for reaching out to and investing in minority
30 business enterprises and a revenue impact assessment projecting state and local tax revenue to be
31 generated by the applicant's proposed qualified investment prepared by a nationally recognized,
32 third-party, independent economic forecasting firm using a dynamic economic forecasting model
33 that analyzes the applicant's business plan over the ten (10) years following the date the application
34 is submitted to the corporation; ~~and~~

1 (6) A nonrefundable application fee ~~of five thousand dollars (\$5,000),~~ which fee shall be
2 set by regulation; and

3 (6) Such other criteria as the corporation deems appropriate.

4 (b) ~~Within thirty (30) days after receipt of a completed application, the corporation shall~~
5 ~~grant or deny the application in full or in part.~~ After the close of a public solicitation period, the
6 corporation shall make a determination based upon the criteria set forth in the application or any
7 supplementary materials or information requested by the corporation as to which of the qualified
8 applicants, if any, shall receive an award of tax credits. The corporation shall deny the application
9 if:

10 (1) The applicant does not satisfy all of the criteria described in subsection (a) of this
11 section;

12 (2) The revenue impact assessment submitted with the application does not demonstrate
13 that the applicant's business plan will result in a positive economic impact on this state over a ten-
14 year (10) period that exceeds the cumulative amount of tax credits that would be issued to the
15 applicant if the application were approved; or

16 (3) The corporation has already approved the maximum amount of capital investment
17 authority under subsection (g) of this section.

18 (c) If the corporation denies ~~any part of the~~ application, it shall inform the applicant of the
19 grounds for the denial. ~~If the applicant provides any additional information required by the~~
20 ~~corporation or otherwise completes its application within fifteen (15) days of the notice of denial,~~
21 ~~the application shall be considered completed as of the original date of submission. If the applicant~~
22 ~~fails to provide the information or fails to complete its application within the fifteen day (15)~~
23 ~~period, the application remains denied and must be resubmitted in full with a new submission date.~~

24 (d) If the application is ~~deemed to be complete and the applicant deemed to meet all of the~~
25 ~~requirements of subsections (a) and (b)~~ approved, the corporation shall certify the proposed equity
26 or debt investment as a capital investment that is eligible for credits under this chapter, subject to
27 the limitations contained in subsection (g) of this section. The corporation shall provide written
28 notice of the certification to the small business development fund.

29 (e) ~~The corporation shall certify capital investments in the order that the applications were~~
30 ~~received by the corporation. Applications received on the same day shall be deemed to have been~~
31 ~~received simultaneously.~~

32 (f) ~~For applications that are complete and received on the same day, the corporation shall certify~~
33 ~~applications in proportionate percentages based upon the ratio of the amount of capital investments~~
34 ~~requested in an application to the total amount of capital investments requested in all applications.~~

1 ~~(e)~~ The corporation shall certify no more than sixty-five million dollars (\$65,000,000) in capital
2 investments pursuant to this section; provided that not more than twenty million dollars
3 (\$20,000,000) may be allocated to any individual small business development fund certified under
4 this section.

5 ~~(f)~~ Within sixty (60) days of the applicant receiving notice of certification, the small
6 business development fund shall issue the capital investment to and receive cash in the amount of
7 the certified amount from a small business fund investor. At least forty-five percent (45%) of the
8 small business fund investor's capital investment shall be composed of capital raised by the small
9 business fund investor from sources, including directors, members, employees, officers, and
10 affiliates of the small business fund investor, other than the amount of capital invested by the
11 allocatee claiming the tax credits in exchange for the allocation of tax credits; ~~provided that at least~~
12 ~~ten percent (10%) of the capital investment shall be derived from the small business investment~~
13 ~~fund's managers~~. The small business development fund shall provide the corporation with evidence
14 of the receipt of the cash investment within sixty-five (65) days of the applicant receiving notice of
15 certification. If the small business development fund does not receive the cash investment and issue
16 the capital investment within the time period following receipt of the certification notice, the
17 certification shall lapse and the small business development fund shall not issue the capital
18 investment without reapplying to the corporation for certification. Lapsed certifications revert to
19 the authority and shall be reissued ~~pro rata to applicants whose capital investment allocations were~~
20 ~~reduced pursuant to this chapter and then~~ in accordance with the application process.

21 **42-64.33-5. Tax credit recapture and exit.**

22 (a) The corporation, working in coordination with the division of taxation, may recapture,
23 from ~~any the~~ entity ~~claims a credit on a tax return~~ that receives a tax credit certificate as a result of
24 certification or the partners, members, or shareholders of the entity to whom a tax credit is allocated,
25 the credit allowed under this chapter if:

26 (1) The small business development fund does not invest one hundred (100%) percent of
27 its capital investment authority in qualified investments in this state within three (3) years of the
28 first credit allowance date;

29 (2) The small business development fund, after satisfying subsection (a)(1) of this section,
30 fails to maintain qualified investments equal to one hundred (100%) percent of its capital
31 investment authority until the sixth anniversary of the initial credit allowance date. For the purposes
32 of this subsection, a qualified investment is considered maintained even if the qualified investment
33 was sold or repaid so long as the small business development fund reinvests an amount equal to the
34 capital returned or recovered by the small business development fund from the original investment,

1 exclusive of any profits realized, in other qualified investments in this state within twelve (12)
2 months of the receipt of the capital. Amounts received periodically by a small business
3 development fund shall be treated as continually invested in qualified investments if the amounts
4 are reinvested in one or more qualified investments by the end of the following calendar year. A
5 small business development fund shall not be required to reinvest capital returned from qualified
6 investments after the fifth anniversary of the initial credit allowance date, and the qualified
7 investments shall be considered held continuously by the small business development fund through
8 the sixth anniversary of the initial credit allowance date;

9 (3) The small business development fund, before exiting the program in accordance with
10 subsection (ef) of this section, makes a distribution or payment that results in the small business
11 development fund having less than one hundred percent (100%) of its capital investment authority
12 invested in qualified investments in this state or available for investment in qualified investments
13 and held in cash and other marketable securities;

14 (4) The small business development fund, before exiting the program in accordance with
15 subsection (ef) of this section, fails to make qualified investments in minority business enterprises
16 that when added together equal at least ten percent (10%) of the small business development fund's
17 capital investment authority; or

18 (5) The small business development fund violates subsection (de) of this section.

19 (b) Recaptured credits and the related capital investment authority revert to the corporation
20 and shall be reissued ~~pro-rata to applicants whose capital investment allocations were reduced~~
21 ~~pursuant to § 42-64.33-4(f) and then~~ in accordance with the application process.

22 (c) Enforcement of each of the recapture provisions of subsection (a) of this section shall
23 be subject to a six-month (6) cure period. No recapture shall occur until the small business
24 development fund has been given notice of noncompliance and afforded six (6) months from the
25 date of the notice to cure the noncompliance.

26 (d) In the event that tax credits, or a portion of tax credits, have been transferred or assigned
27 in an arms-length transaction, for value, and without notice of violation, fraud, or
28 misrepresentation, the corporation will pursue its recapture rights and remedies against the
29 applicant for the tax credits and/or the recipient of the certification who shall be liable to repay to
30 the corporation the face value of all tax credits assigned or transferred and all fees paid by the
31 applicant shall be deemed forfeited. No redress shall be sought against assignees or transferees of
32 such tax credits provided the tax credits were acquired by way of an arms-length transaction, for
33 value, and without notice of violation, fraud, or misrepresentation.

1 (e) No eligible business that receives a qualified investment under this chapter, or any
2 affiliates of the eligible business, may directly or indirectly:

3 (1) Own or have the right to acquire an ownership interest in a small business development
4 fund or member or affiliate of a small business development fund, including, but not limited to, a
5 holder of a capital investment issued by the small business development fund; or

6 (2) Loan to or invest in a small business development fund or member or affiliate of a small
7 business development fund, including, but not limited to, a holder of a capital investment issued by
8 a small business development fund, where the proceeds of the loan or investment are directly or
9 indirectly used to fund or refinance the purchase of a capital investment under this chapter.

10 (e~~f~~) On or after the sixth anniversary of the initial credit allowance date, a small business
11 development fund may apply to the corporation to exit the program and no longer be subject to
12 regulation under this chapter. The corporation shall respond to the exit application within thirty
13 (30) days of receipt. In evaluating the exit application, the fact that no credits have been recaptured
14 and that the small business development fund has not received a notice of recapture that has not
15 been cured pursuant to subsection (c) of this section shall be sufficient evidence to prove that the
16 small business development fund is eligible for exit. The corporation shall not unreasonably deny
17 an exit application submitted under this subsection. If the exit application is denied, the notice shall
18 include the reasons for the determination.

19 (e~~g~~) If the number of jobs created or retained by the eligible businesses that received
20 qualified investments from the small business development fund, calculated pursuant to reports
21 filed by the small business development fund pursuant to § 42-64.33-7, is:

22 (1) Less than sixty percent (60%) of the amount projected in the approved small business
23 development fund's business plan filed as part of its application for certification under § 42-64.33-
24 4, then the state shall receive thirty percent (30%) of any distribution or payment to an equity or
25 debt holder in an approved small business development fund made after its exit from the program
26 in excess of eligible distributions; or

27 (2) Greater than sixty percent (60%) but less than one hundred percent (100%) of the amount
28 projected in the approved small business development fund's business plan filed as part of its
29 application for certification under § 42-64.33-4, then the state shall receive fifteen percent (15%)
30 of any distribution or payment to an equity or debt holder in an approved small business
31 development fund made after its exit from the program in excess of eligible distributions.

32 (e~~h~~) At the time a small business development fund applies to the corporation to exit the
33 program, it shall calculate the aggregate internal rate of return of its qualified investments. If the
34 small business development fund's aggregate internal rate of return on its qualified investments at

1 exit exceeds ten percent (10%), then, after eligible distributions, the state shall receive ten percent
2 (10%) of any distribution or payment in excess of the aggregate ten percent (10%) internal rate of
3 return to an equity or debtholder in an approved small business development fund.

4 (hi) The corporation shall not revoke a tax credit certificate after the small business
5 development fund's exit from the program.

6 **42-64.33-9. Rules and regulations.**

7 ~~The corporation and division of taxation may issue reasonable rules and regulations, consistent
8 with this chapter, as are necessary to carry out the intent and purpose and implementation of the
9 responsibilities under this chapter.~~

10 The corporation in consultation with the division of taxation shall promulgate and adopt
11 rules and regulations pursuant to § 42-35-3 of the general laws, as are necessary to implement this
12 chapter, including, but not limited to: the determination of additional limits; the promulgation of
13 procedures and forms necessary to apply for a tax credit, including the enumeration of the
14 certification procedures; the promulgation of procedures and forms relating to the issuance of tax
15 credit certificates and assignment of credits; and provisions for tax credit applicants to be charged
16 ongoing service fees, to cover the administrative costs related to the tax credit. Further, the division
17 of taxation, in consultation with the corporation, may issue rules and regulations for filing,
18 claiming, and applying the credit in the method and manner to be prescribed by the tax
19 administrator.

20 **42-64.33-10. Program integrity.**

21 Program integrity being of paramount importance, the corporation shall establish
22 procedures to ensure ongoing compliance with the terms and conditions of the program established
23 herein, including procedures to safeguard the expenditure of public funds and to ensure that the
24 funds further the objectives of the program.

25 SECTION 7. Section 44-1-7 of the General Laws in Chapter 44-1 entitled "State Tax
26 Officials" is hereby amended to read as follows:

27 **44-1-7. Interest on delinquent payments.**

28 (a) Whenever the full amount of any state tax or any portion or deficiency, as finally
29 determined by the tax administrator, has not been paid on the date when it is due and payable,
30 whether the time has been extended or not, there shall be added as part of the tax or portion or
31 deficiency interest at the rate as determined in accordance with subsection (b) of this section,
32 notwithstanding any general or specific statute to the contrary.

33 (b) Each January 1 the tax administrator shall compute the rate of interest to be in effect
34 for that calendar year by adding two percent (2%) to the prime rate, which was in effect on October

1 1 of the preceding year, except:

2 (1) Before January 1, 2023, in no event shall the rate of interest exceed twenty-one percent
3 (21%) per annum nor be less than eighteen percent (18%) per annum;-

4 (2) On and after January 1, 2023, in no event shall the rate of interest exceed twenty-one
5 percent (21%) per annum nor be less than twelve percent (12%) per annum except:

6 (A) for trust fund taxes as established by §§ 44-19-35 and 44-30-76, in no event shall the
7 rate of interest exceed twenty-one percent (21%) per annum nor be less than eighteen percent (18%)
8 per annum.

9 (c) "Prime rate" as used in subsection (b) of this section means the predominant prime rate
10 quoted by commercial banks to large businesses as determined by the board of governors of the
11 Federal Reserve System.

12 (d) Notwithstanding any provisions of the general laws to the contrary, the tax
13 administrator shall waive interest and penalty on the taxable portion of each Paycheck Protection
14 Program loan taxed pursuant to §§ 44-11-11(a)(1)(iv), 44-14-11, and 44-30-12(b)(8) and forgiven
15 during tax year 2020 provided that the tax on that portion is paid in full on or before March 31,
16 2022. The tax administrator shall make available suitable forms with instructions for making tax
17 payments on the taxable portion of such forgiven Paycheck Protection Program loans.

18 SECTION 8. Chapter 44-1 of the General Laws entitled "State Tax Officials" is hereby
19 amended by adding thereto the following section:

20 **44-1-41. Taxpayer Steward.**

21 (a) There is hereby created within the division of taxation of the department of revenue, a
22 taxpayer steward to:

23 (1) Coordinate the resolution of taxpayer complaints and problems, if so requested by a
24 taxpayer or the taxpayer's duly authorized representative;

25 (2) Provide recommendations to the division of taxation for informational publications and
26 recommended taxpayer and division education programs needed to reduce or eliminate errors or
27 improve voluntary taxpayer compliance;

28 (3) Provide recommendations to the division of taxation for simplification or other
29 improvements needed in tax laws, regulations, forms, systems, and procedures to promote better
30 understanding and voluntary compliance by taxpayers.

31 (b) By October 1, 2023, and each year thereafter, the taxpayer steward shall prepare and
32 submit a report to the tax administrator and the director of the department of revenue summarizing
33 the activities of the steward during the immediately preceding fiscal year, describing any
34 recommendations made pursuant to subsections (2) and (3) of this section, including the progress

1 [in implementing such recommendations, and providing such other information as the division](#)
2 [deems appropriate relating to the rights of taxpayers of this state.](#)

3 SECTION 9. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
4 Subject to Taxation" is hereby amended to read as follows:

5 **44-3-3. Property exempt. [Effective January 1, 2022.]**

6 (a) The following property is exempt from taxation:

7 (1) Property belonging to the state, except as provided in § 44-4-4.1;

8 (2) Lands ceded or belonging to the United States;

9 (3) Bonds and other securities issued and exempted from taxation by the government of
10 the United States or of this state;

11 (4) Real estate, used exclusively for military purposes, owned by chartered or incorporated
12 organizations approved by the adjutant general and composed of members of the national guard,
13 the naval militia, or the independent, chartered-military organizations;

14 (5) Buildings for free public schools, buildings for religious worship, and the land upon
15 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
16 far as the buildings and land are occupied and used exclusively for religious or educational
17 purposes;

18 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
19 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
20 owned by, or held in trust for, any religious organization and actually used by its officiating clergy;
21 provided, further, that in the town of Charlestown, where the property previously described in this
22 paragraph is exempt in total, along with dwelling houses and the land on which they stand in
23 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the dwelling
24 house is located, whichever is the greater, owned by, or held in trust for, any religious organization
25 and actually used by its officiating clergy, or used as a convent, nunnery, or retreat center by its
26 religious order;

27 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
28 organization, if the principal or income is used or appropriated for religious or charitable purposes;

29 (8) Buildings and personal estate owned by any corporation used for a school, academy, or
30 seminary of learning, and of any incorporated public charitable institution, and the land upon which
31 the buildings stand and immediately surrounding them to an extent not exceeding one acre, so far
32 as they are used exclusively for educational purposes, but no property or estate whatever is hereafter
33 exempt from taxation in any case where any part of its income or profits, or of the business carried
34 on there, is divided among its owners or stockholders; provided, however, that unless any private

1 nonprofit corporation organized as a college or university located in the town of Smithfield reaches
2 a memorandum of agreement with the town of Smithfield, the town of Smithfield shall bill the
3 actual costs for police, fire, and rescue services supplied, unless otherwise reimbursed, to said
4 corporation commencing March 1, 2014;

5 (9) Estates, persons, and families of the president and professors for the time being of
6 Brown University for not more than ten thousand dollars (\$10,000) for each officer, the officer's
7 estate, person, and family included, but only to the extent that any person had claimed and utilized
8 the exemption prior to, and for a period ending, either on or after December 31, 1996;

9 (10) Property especially exempt by charter unless the exemption has been waived in whole
10 or in part;

11 (11) Lots of land exclusively for burial grounds;

12 (12) Property, real and personal, held for, or by, an incorporated library, society, or any
13 free public library, or any free public library society, so far as the property is held exclusively for
14 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
15 generally, or for a nonprofit hospital for the sick or disabled;

16 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated
17 organizations of veterans of any war in which the United States has been engaged, the parent body
18 of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars
19 (\$400,000) if actually used and occupied by the association; provided, that the city council of the
20 city of Cranston may by ordinance exempt the real or personal estate as previously described in
21 this subdivision located within the city of Cranston to the extent of five hundred thousand dollars
22 (\$500,000);

23 (14) Property, real and personal, held for, or by, the fraternal corporation, association, or
24 body created to build and maintain a building or buildings for its meetings or the meetings of the
25 general assembly of its members, or subordinate bodies of the fraternity, and for the
26 accommodation of other fraternal bodies or associations, the entire net income of which real and
27 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
28 asylums, a home or homes, a school or schools, for the free education or relief of the members of
29 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity, their
30 wives, widows, or orphans, and any fund given or held for the purpose of public education,
31 almshouses, and the land and buildings used in connection therewith;

32 (15) Real estate and personal property of any incorporated volunteer fire engine company
33 or incorporated volunteer ambulance or rescue corps in active service;

1 (16) The estate of any person who, in the judgment of the assessors, is unable from infirmity
2 or poverty to pay the tax; provided, that in the towns of Burrillville and West Greenwich, the tax
3 shall constitute a lien for five (5) years on the property where the owner is entitled to the exemption.
4 At the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold
5 or conveyed, or if debt secured by the property is refinanced during the five-year (5) period, the
6 lien immediately becomes due and payable; any person claiming the exemption aggrieved by an
7 adverse decision of an assessor shall appeal the decision to the local board of tax review and
8 thereafter according to the provisions of § 44-5-26;

9 (17) Household furniture and family stores of a housekeeper in the whole, including
10 clothing, bedding, and other white goods, books, and all other tangible personal property items that
11 are common to the normal household;

12 (18) Improvements made to any real property to provide a shelter and fallout protection
13 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided, that
14 the improvements meet applicable standards for shelter construction established, from time to time,
15 by the Rhode Island emergency management agency. The improvements are deemed to comply
16 with the provisions of any building code or ordinance with respect to the materials or the methods
17 of construction used and any shelter or its establishment is deemed to comply with the provisions
18 of any zoning code or ordinance;

19 (19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

20 (20) Manufacturer's inventory.

21 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to be
22 a manufacturer within a city or town within this state if that person uses any premises, room, or
23 place in it primarily for the purpose of transforming raw materials into a finished product for trade
24 through any or all of the following operations: adapting, altering, finishing, making, and
25 ornamenting; provided, that public utilities; non-regulated power producers commencing
26 commercial operation by selling electricity at retail or taking title to generating facilities on or after
27 July 1, 1997; building and construction contractors; warehousing operations, including distribution
28 bases or outlets of out-of-state manufacturers; and fabricating processes incidental to warehousing
29 or distribution of raw materials, such as alteration of stock for the convenience of a customer; are
30 excluded from this definition;

31 (ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's
32 inventory," or any similar term, means and includes the manufacturer's raw materials, the
33 manufacturer's work in process, and finished products manufactured by the manufacturer in this
34 state, and not sold, leased, or traded by the manufacturer or its title or right to possession divested;

1 provided, that the term does not include any finished products held by the manufacturer in any retail
2 store or other similar selling place operated by the manufacturer whether or not the retail
3 establishment is located in the same building in which the manufacturer operates the manufacturing
4 plant;

5 (iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business
6 in this state consists of transforming raw materials into a finished product for trade through any or
7 all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be
8 principally engaged if the gross receipts that person derived from the manufacturing operations in
9 this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to more than
10 fifty percent (50%) of the total gross receipts that person derived from all the business activities in
11 which that person engaged in this state during the taxable year. For the purpose of computing the
12 percentage, gross receipts derived by a manufacturer from the sale, lease, or rental of finished
13 products manufactured by the manufacturer in this state, even though the manufacturer's store or
14 other selling place may be at a different location from the location of the manufacturer's
15 manufacturing plant in this state, are deemed to have been derived from manufacturing;

16 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
17 "manufacturer" also includes persons who are principally engaged in any of the general activities
18 coded and listed as establishments engaged in manufacturing in the Standard Industrial
19 Classification Manual prepared by the Technical Committee on Industrial Classification, Office of
20 Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as
21 revised from time to time, but eliminating as manufacturers those persons, who, because of their
22 limited type of manufacturing activities, are classified in the manual as falling within the trade
23 rather than an industrial classification of manufacturers. Among those thus eliminated, and
24 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
25 primarily engaged in selling, to the general public, products produced on the premises from which
26 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
27 custom tailors, except, that a person who manufactures bakery products for sale primarily for home
28 delivery, or through one or more non-baking retail outlets, and whether or not retail outlets are
29 operated by the person, is a manufacturer within the meaning of this paragraph;

30 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
31 corporation; and

32 (vi) The department of revenue shall provide to the local assessors any assistance that is
33 necessary in determining the proper application of the definitions in this subdivision;

1 (21) Real and tangible personal property acquired to provide a treatment facility used
2 primarily to control the pollution or contamination of the waters or the air of the state, as defined
3 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been constructed,
4 reconstructed, erected, installed, or acquired in furtherance of federal or state requirements or
5 standards for the control of water or air pollution or contamination, and certified as approved in an
6 order entered by the director of environmental management. The property is exempt as long as it is
7 operated properly in compliance with the order of approval of the director of environmental
8 management; provided, that any grant of the exemption by the director of environmental
9 management in excess of ten (10) years is approved by the city or town in which the property is
10 situated. This provision applies only to water and air pollution control properties and facilities
11 installed for the treatment of waste waters and air contaminants resulting from industrial
12 processing; furthermore, it applies only to water or air pollution control properties and facilities
13 placed in operation for the first time after April 13, 1970;

14 (22) Manufacturing machinery and equipment acquired or used by a manufacturer after
15 December 31, 1974. Manufacturing machinery and equipment is defined as:

16 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of
17 raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision
18 (20), and machinery, fixtures, and equipment used exclusively by a manufacturer for research and
19 development or for quality assurance of its manufactured products;

20 (ii) Machinery and equipment that is partially used in the actual manufacture or conversion
21 of raw materials or goods in process of manufacture by a manufacturer, as defined in subdivision
22 (20), and machinery, fixtures, and equipment used by a manufacturer for research and development
23 or for quality assurance of its manufactured products, to the extent to which the machinery and
24 equipment is used for the manufacturing processes, research and development, or quality assurance.
25 In the instances where machinery and equipment is used in both manufacturing and/or research and
26 development and/or quality assurance activities and non-manufacturing activities, the assessment
27 on machinery and equipment is prorated by applying the percentage of usage of the equipment for
28 the manufacturing, research and development, and quality-assurance activity to the value of the
29 machinery and equipment for purposes of taxation, and the portion of the value used for
30 manufacturing, research and development, and quality assurance is exempt from taxation. The
31 burden of demonstrating this percentage usage of machinery and equipment for manufacturing and
32 for research and development and/or quality assurance of its manufactured products rests with the
33 manufacturer; and

1 (iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was
2 purchased after July 1, 1997; provided that the city or town council of the city or town in which the
3 machinery and equipment is located adopts an ordinance exempting the machinery and equipment
4 from taxation. For purposes of this subsection, city councils and town councils of any municipality
5 may, by ordinance, wholly or partially exempt from taxation the machinery and equipment
6 discussed in this subsection for the period of time established in the ordinance and may, by
7 ordinance, establish the procedures for taxpayers to avail themselves of the benefit of any
8 exemption permitted under this section; provided, that the ordinance does not apply to any
9 machinery or equipment of a business, subsidiary, or any affiliated business that locates or relocates
10 from a city or town in this state to another city or town in the state;

11 (23) Precious metal bullion, meaning any elementary metal that has been put through a
12 process of melting or refining, and that is in a state or condition that its value depends upon its
13 content and not its form. The term does not include fabricated precious metal that has been
14 processed or manufactured for some one or more specific and customary industrial, professional,
15 or artistic uses;

16 (24) Hydroelectric power-generation equipment, which includes, but is not limited to,
17 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
18 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
19 hydroelectric power-generation equipment must have been purchased after July 1, 1979, and
20 acquired or used by a person or corporation who or that owns or leases a dam and utilizes the
21 equipment to generate hydroelectric power;

22 (25) Subject to authorization by formal action of the council of any city or town, any real
23 or personal property owned by, held in trust for, or leased to an organization incorporated under
24 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
25 out in § 18-9-4, as amended, or an organization incorporated under the not-for-profits statutes of
26 another state or the District of Columbia, the purpose of which is the conserving of open space, as
27 that term is defined in chapter 36 of title 45, as amended, provided the property is used exclusively
28 for the purposes of the organization;

29 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
30 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,
31 or the treatment of "hazardous wastes," as defined in § 23-19.1-4, where the "hazardous wastes"
32 are generated primarily by the same taxpayer and where the personal property is located at, in, or
33 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order
34 from the director of the department of environmental management certifying that the tangible

1 personal property has this function, which order effects a conclusive presumption that the tangible
2 personal property qualifies for the exemption under this subdivision. If any information relating to
3 secret processes or methods of manufacture, production, or treatment is disclosed to the department
4 of environmental management only to procure an order, and is a "trade secret" as defined in § 28-
5 21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is
6 otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

7 (27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4 has
8 been paid;

9 (28) Real and personal property of the Providence Performing Arts Center, a non-business
10 corporation as of December 31, 1986;

11 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
12 religious organization located in the city of Cranston;

13 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit
14 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited liability
15 company that is formed in connection with, or to facilitate the acquisition of, the Providence YMCA
16 Building;

17 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
18 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
19 liability company that is formed in connection with, or to facilitate the acquisition of, the properties
20 designated as the Meeting Street National Center of Excellence on Eddy Street in Providence,
21 Rhode Island;

22 (32) The buildings, personal property, and land upon which the buildings stand, located on
23 Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
24 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet and
25 is located approximately eight hundred sixty feet (860'), more or less, from the shore, and limited
26 exclusively to these said buildings, personal estate and land, provided that said property is owned
27 by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used
28 exclusively for a lighthouse;

29 (33) The Stadium Theatre Performing Arts Centre building located in Monument Square,
30 Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by
31 the Stadium Theatre Foundation, a Rhode Island nonprofit corporation;

32 (34) Real and tangible personal property of St. Mary Academy — Bay View, located in
33 East Providence, Rhode Island;

1 (35) Real and personal property of East Bay Community Action Program and its
2 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax-exempt corporation
3 under § 501(c)(3) of the United States Internal Revenue Code;

4 (36) Real and personal property located within the city of East Providence of the Columbus
5 Club of East Providence, a Rhode Island charitable nonprofit corporation;

6 (37) Real and personal property located within the city of East Providence of the Columbus
7 Club of Barrington, a Rhode Island charitable nonprofit corporation;

8 (38) Real and personal property located within the city of East Providence of Lodge 2337
9 BPO Elks, a Rhode Island nonprofit corporation;

10 (39) Real and personal property located within the city of East Providence of the St.
11 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation;

12 (40) Real and personal property located within the city of East Providence of the Trustees
13 of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode Island
14 nonprofit corporation;

15 (41) Real and personal property located on the first floor of 90 Leonard Avenue within the
16 city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation;

17 (42) Real and personal property located within the city of East Providence of the Cape
18 Verdean Museum Exhibit, a Rhode Island nonprofit corporation;

19 (43) The real and personal property owned by a qualified 501(c)(3) organization that is
20 affiliated and in good standing with a national, congressionally chartered organization and thereby
21 adheres to that organization's standards and provides activities designed for recreational,
22 educational, and character building purposes for children from ages six (6) years to seventeen (17)
23 years;

24 (44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music
25 School; provided, that the organization is qualified as a tax-exempt corporation under § 501(c)(3)
26 of the United States Internal Revenue Code;

27 (45) The real and personal property located within the town of West Warwick at 211
28 Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven
29 hundred fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of East
30 Greenwich, a Rhode Island nonprofit corporation;

31 (46) Real and personal property of the Comprehensive Community Action Program, a
32 qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

33 (47) Real and personal property located at 52 Plain Street, within the city of Pawtucket of
34 the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation;

1 (48) Renewable energy resources, as defined in § 39-26-5, used in residential systems and
2 associated equipment used therewith in service after December 31, 2015;

3 (49) Renewable energy resources, as defined in § 39-26-5, if employed by a manufacturer,
4 as defined in subsection (a) of this section, shall be exempt from taxation in accordance with
5 subsection (a) of this section;

6 (50) Real and personal property located at 415 Tower Hill Road within the town of North
7 Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under §
8 501(c)(3) of the United States Internal Revenue Code;

9 (51) As an effort to promote business growth, tangible business or personal property, in
10 whole or in part, within the town of Charlestown's community limits, subject to authorization by
11 formal action of the town council of the town of Charlestown;

12 (52) All real and personal property located at 1300 Frenchtown Road, within the town of
13 East Greenwich, identified as assessor's map 027, plat 019, lot 071, and known as the New England
14 Wireless and Steam Museum, Inc., a qualified tax-exempt corporation under § 501(c)(3) of the
15 United States Internal Revenue Code;

16 (53) Real and tangible personal property of Mount Saint Charles Academy located within
17 the city of Woonsocket, specifically identified as the following assessor's plats and lots: Logee
18 Street, plat 23, lot 62, Logee Street, plat 24, lots 304 and 305; Welles Street, plat 23, lot 310;
19 Monroe Street, plat 23, lot 312; and Roberge Avenue, plat 24, lot 47;

20 (54) Real and tangible personal property of Steere House, a Rhode Island nonprofit
21 corporation, located in Providence, Rhode Island;

22 (55) Real and personal property located within the town of West Warwick of Tides Family
23 Services, Inc., a Rhode Island nonprofit corporation;

24 (56) Real and personal property of Tides Family Services, Inc., a Rhode Island nonprofit
25 corporation, located in the city of Pawtucket at 242 Dexter Street, plat 44, lot 444;

26 (57) Real and personal property located within the town of Middletown of Lucy's Hearth,
27 a Rhode Island nonprofit corporation;

28 (58) Real and tangible personal property of Habitat for Humanity of Rhode Island—
29 Greater Providence, Inc., a Rhode Island nonprofit corporation, located in Providence, Rhode
30 Island;

31 (59) Real and personal property of the Artic Playhouse, a Rhode Island nonprofit
32 corporation, located in the town of West Warwick at 1249 Main Street;

1 (60) Real and personal property located at 321 Main Street, within the town of South
2 Kingstown, of the Contemporary Theatre Company, a qualified, tax-exempt corporation under §
3 501(c)(3) of the United States Internal Revenue Code;

4 (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §
5 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city
6 council of Pawtucket may from time to time determine;

7 (62) Real and personal property of North Kingstown, Exeter Animal Protection League,
8 Inc., dba "Pet Refuge," 500 Stony Lane, a Rhode Island nonprofit corporation, located in North
9 Kingstown, Rhode Island;

10 (63) Real and personal property located within the city of East Providence of Foster
11 Forward (formerly the Rhode Island Foster Parents Association), a Rhode Island charitable
12 nonprofit corporation;

13 (64) Real and personal property located at 54 Kelly Avenue within the town of East
14 Providence, of the Associated Radio Amateurs of Southern New England, a Rhode Island nonprofit
15 corporation;

16 (65) Real and tangible personal property of Providence Country Day School, a Rhode
17 Island nonprofit corporation, located in East Providence, Rhode Island and further identified as plat
18 406, block 6, lot 6, and plat 506, block 1, lot 8;

19 (66) As an effort to promote business growth, tangible business or personal property, in
20 whole or in part, within the town of Bristol's community limits, subject to authorization by formal
21 action of the town council of the town of Bristol;

22 (67) Real and tangible personal property of the Heritage Harbor Foundation, a Rhode
23 Island nonprofit corporation, located at 1445 Wampanoag Trail, Suites 103 and 201, within the city
24 of East Providence;

25 (68) Real property of Ocean State Community Wellness, Inc., a qualified tax-exempt
26 corporation under § 501(c)(3) of the United States Internal Revenue Code, located in North
27 Kingstown, Rhode Island, with a physical address of 7450 Post Road, and further identified as plat
28 108, lot 83;

29 (69) Real and tangible personal property of St. John Baptist De La Salle Institute, d/b/a La
30 Salle Academy, a Rhode Island domestic nonprofit corporation, located in Providence, Rhode
31 Island denominated at the time this subsection was adopted as Plat 83 Lot 276 by the tax assessor
32 for the city of Providence comprising approximately 26.08 acres of land along with all buildings
33 and improvements that have been or may be made;

1 (70) Real and tangible personal property of The Providence Community Health Centers,
2 Inc., a Rhode Island domestic nonprofit corporation, located in Providence, Rhode Island; and

3 (71) In the city of Central Falls and the city of Pawtucket, real property and tangible
4 personal property located on or in the premise acquired or leased by a railroad entity and for the
5 purpose of providing boarding and disembarking of railroad passengers and the supporting
6 passenger railroad operations and services. For the purpose of this section, a railroad entity shall be
7 any incorporated entity that has been duly authorized by the Rhode Island public utilities
8 commission to provide passenger railroad services.

9 (b) Except as provided below, when a city or town taxes a for-profit hospital facility, the
10 value of its real property shall be the value determined by the most recent full revaluation or
11 statistical property update performed by the city or town; provided, however, in the year a nonprofit
12 hospital facility converts to or otherwise becomes a for-profit hospital facility, or a for-profit
13 hospital facility is initially established, the value of the real property and personal property of the
14 for-profit hospital facility shall be determined by a valuation performed by the assessor for the
15 purpose of determining an initial assessed value of real and personal property, not previously taxed
16 by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to a right
17 of appeal by the for-profit hospital facility which shall be made to the city or town tax assessor with
18 a direct appeal from an adverse decision to the Rhode Island superior court business calendar.

19 A "for-profit hospital facility" includes all real and personal property affiliated with any
20 hospital as identified in an application filed pursuant to chapter 17 or 17.14 of title 23.
21 Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-profit
22 hospital facility under § 44-3-9 or other laws specific to the particular city or town relating to
23 stabilization agreements. In a year in which a nonprofit hospital facility converts to, or otherwise
24 becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise established, in
25 that year only the amount levied by the city or town and/or the amount payable under the
26 stabilization agreement for that year related to the for-profit hospital facility shall not be counted
27 towards determining the maximum tax levy permitted under § 44-5-2.

28 (c) Notwithstanding any other provision of law to the contrary, in an effort to provide relief
29 for businesses, including small businesses, and to promote economic development, a city, town, or
30 fire district may establish an exemption for tangible personal property within its geographic limits
31 by formal action of the appropriate governing body within the city, town, or fire district, which
32 exemptions shall be uniformly applied and in compliance with local tax classification requirements.
33 Exemptions established pursuant to this subsection shall conform to the requirements of § 44-5-
34 12.2.

1 SECTION 10. Chapter 44-5 of the General Laws entitled " Levy and Assessment of Local
2 Taxes" is hereby amended by adding thereto the following sections:

3 **44-5-11.16. Division of Municipal Finance Classification Exemption Authority**

4 Notwithstanding any other provision of law to the contrary, the Division of Municipal
5 Finance (Division) within the Department of Revenue shall have the authority to grant a one-year
6 exemption to any city or town authorized to have a property tax classification structure under this
7 chapter, where in the absence of such an exemption, the city or town would not be in compliance
8 with its applicable tax classification structure. Any city or town seeking such an exemption shall
9 provide the Division with any documentation that the Division deems necessary to grant an
10 exemption. Such exemption, if approved by the Division, shall be limited to one year. The city or
11 town, if granted such an exemption, shall be required to either have applicable state legislation
12 approved amending the specific section of law for which the exemption was sought or adjust its
13 class tax rates so that the city or town is in compliance for its next fiscal year.

14 **44-5-12.2. Tangible personal property exemption-Tax rate cap.**

15 Notwithstanding any other provision of law to the contrary, the tax rate for the class of
16 property that includes tangible personal property for any city, town, or fire district that also
17 establishes a tangible personal property assessment exemption, pursuant to subsections (a)(51),
18 (a)(66), or (c) of § 44-3-3, § 44-3-47, § 44-3-65, or any other provision of law that enables a city,
19 town, or fire district to establish a tangible personal property assessment exemption, shall be capped
20 at the tax rate in effect for the assessment date immediately preceding the assessment date on which
21 the exemption takes effect or the assessment date immediately following the effective date of this
22 section, whichever is later.

23 SECTION 11. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business
24 Corporation Tax" is hereby amended to read as follows:

25 **44-11-2 Imposition of Tax.**

26 (a) Each corporation shall annually pay to the state a tax equal to nine percent (9%) of net
27 income, as defined in § 44-11-11, qualified in § 44-11-12, and apportioned to this state as provided
28 in §§ 44-11-13 — 44-11-15, for the taxable year. For tax years beginning on or after January 1,
29 2015, each corporation shall annually pay to the state a tax equal to seven percent (7.0%) of net
30 income, as defined in § 44-11-13 — 44-11-15, for the taxable year.

31 (b) A corporation shall pay the amount of any tax as computed in accordance with
32 subsection (a) after deducting from "net income," as used in this section, fifty percent (50%) of the
33 excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

34 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its

1 own behalf and not as a broker, underwriter, or distributor;

2 (2) Its gross receipts derived from these activities during the taxable year amounted to at
3 least ninety percent (90%) of its total gross receipts derived from all of its activities during the year.
4 "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
5 consideration, received during the taxable year in connection with the conduct of the taxpayer's
6 activities.

7 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
8 income under subsection (a), but shall annually pay to the state a tax equal to ten cents (\$.10) for
9 each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred dollars
10 (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a "personal
11 holding company" registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-
12 1 et seq., "regulated investment company," or a "real estate investment trust" as defined in the
13 federal income tax law applicable to the taxable year. "Gross income" means gross income as
14 defined in the federal income tax law applicable to the taxable year, plus:

15 (1) Any interest not included in the federal gross income; minus

16 (2) Interest on obligations of the United States or its possessions, and other interest exempt
17 from taxation by this state; and minus

18 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during the
19 taxable year.

20 (d) (1) A small business corporation having an election in effect under subchapter S, 26
21 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
22 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
23 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after
24 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26
25 U.S.C. § 1361 et seq., shall be subject to the minimum tax under § 44-11-2(e).

26 (2) The shareholders of the corporation who are residents of Rhode Island shall include in
27 their income their proportionate share of the corporation's federal taxable income.

28 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

29 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

30 (e) **Minimum tax.** The tax imposed upon any corporation under this section, including a
31 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et
32 seq., shall not be less than four hundred fifty dollars (\$450). For tax years beginning on or after
33 January 1, 2017, the tax imposed shall not be less than four hundred dollars (\$400). [For tax years](#)
34 [beginning on or after January 1, 2023, the tax imposed shall not be less than three hundred seventy-](#)

1 [five dollars \(\\$375.00\).](#)

2 SECTION 12. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and
3 Use Taxes — Liability and Computation" is hereby amended to read as follows:

4 **44-18-30. Gross receipts exempt from sales and use taxes.**

5 There are exempted from the taxes imposed by this chapter the following gross receipts:

6 (1) Sales and uses beyond constitutional power of state. From the sale and from the storage,
7 use, or other consumption in this state of tangible personal property the gross receipts from the sale
8 of which, or the storage, use, or other consumption of which, this state is prohibited from taxing
9 under the Constitution of the United States or under the constitution of this state.

10 (2) Newspapers.

11 (i) From the sale and from the storage, use, or other consumption in this state of any
12 newspaper.

13 (ii) "Newspaper" means an unbound publication printed on newsprint that contains news,
14 editorial comment, opinions, features, advertising matter, and other matters of public interest.

15 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or
16 similar item unless the item is printed for, and distributed as, a part of a newspaper.

17 (3) School meals. From the sale and from the storage, use, or other consumption in this
18 state of meals served by public, private, or parochial schools, school districts, colleges, universities,
19 student organizations, and parent-teacher associations to the students or teachers of a school,
20 college, or university whether the meals are served by the educational institutions or by a food
21 service or management entity under contract to the educational institutions.

22 (4) Containers.

23 (i) From the sale and from the storage, use, or other consumption in this state of:

24 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials that
25 are biodegradable and all bags and wrapping materials utilized in the medical and healing arts,
26 when sold without the contents to persons who place the contents in the container and sell the
27 contents with the container.

28 (B) Containers when sold with the contents if the sale price of the contents is not required
29 to be included in the measure of the taxes imposed by this chapter.

30 (C) Returnable containers when sold with the contents in connection with a retail sale of
31 the contents or when resold for refilling.

32 (D) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage
33 producers who place the alcoholic beverages in the containers.

34 (ii) As used in this subdivision, the term "returnable containers" means containers of a kind

1 customarily returned by the buyer of the contents for reuse. All other containers are "non-returnable
2 containers."

3 (5) (i) Charitable, educational, and religious organizations. From the sale to, as in defined
4 in this section, and from the storage, use, and other consumption in this state, or any other state of
5 the United States of America, of tangible personal property by hospitals not operated for a profit;
6 "educational institutions" as defined in subdivision (18) not operated for a profit; churches,
7 orphanages, and other institutions or organizations operated exclusively for religious or charitable
8 purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting
9 leagues and associations and bands for boys and girls under the age of nineteen (19) years; the
10 following vocational student organizations that are state chapters of national vocational student
11 organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of
12 America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers
13 of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of
14 America (VICA); organized nonprofit golden age and senior citizens clubs for men and women;
15 and parent-teacher associations; and from the sale, storage, use, and other consumption in this state,
16 of and by the Industrial Foundation of Burrillville, a Rhode Island domestic nonprofit corporation.

17 (ii) In the case of contracts entered into with the federal government, its agencies, or
18 instrumentalities, this state, or any other state of the United States of America, its agencies, any
19 city, town, district, or other political subdivision of the states; hospitals not operated for profit;
20 educational institutions not operated for profit; churches, orphanages, and other institutions or
21 organizations operated exclusively for religious or charitable purposes, the contractor may purchase
22 such materials and supplies (materials and/or supplies are defined as those that are essential to the
23 project) that are to be utilized in the construction of the projects being performed under the contracts
24 without payment of the tax.

25 (iii) The contractor shall not charge any sales or use tax to any exempt agency, institution,
26 or organization but shall in that instance provide his or her suppliers with certificates in the form
27 as determined by the division of taxation showing the reason for exemption and the contractor's
28 records must substantiate the claim for exemption by showing the disposition of all property so
29 purchased. If any property is then used for a nonexempt purpose, the contractor must pay the tax
30 on the property used.

31 (6) Gasoline. From the sale and from the storage, use, or other consumption in this state
32 of: (i) Gasoline and other products taxed under chapter 36 of title 31 and (ii) Fuels used for the
33 propulsion of airplanes.

34 (7) Purchase for manufacturing purposes.

1 (i) From the sale and from the storage, use, or other consumption in this state of computer
2 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, and
3 water, when the property or service is purchased for the purpose of being manufactured into a
4 finished product for resale and becomes an ingredient, component, or integral part of the
5 manufactured, compounded, processed, assembled, or prepared product, or if the property or
6 service is consumed in the process of manufacturing for resale computer software, tangible personal
7 property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

8 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the
9 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

10 (iii) "Consumed" includes mere obsolescence.

11 (iv) "Manufacturing" means and includes: manufacturing, compounding, processing,
12 assembling, preparing, or producing.

13 (v) "Process of manufacturing" means and includes all production operations performed in
14 the producing or processing room, shop, or plant, insofar as the operations are a part of and
15 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,
16 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the
17 operations are a part of and connected with the manufacturing for resale of computer software.

18 (vi) "Process of manufacturing" does not mean or include administration operations such
19 as general office operations, accounting, collection, or sales promotion, nor does it mean or include
20 distribution operations that occur subsequent to production operations, such as handling, storing,
21 selling, and transporting the manufactured products, even though the administration and
22 distribution operations are performed by, or in connection with, a manufacturing business.

23 (8) State and political subdivisions. From the sale to, and from the storage, use, or other
24 consumption by, this state, any city, town, district, or other political subdivision of this state. Every
25 redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a subdivision of
26 the municipality where it is located.

27 (9) Food and food ingredients. From the sale and storage, use, or other consumption in this
28 state of food and food ingredients as defined in § 44-18-7.1(l).

29 For the purposes of this exemption "food and food ingredients" shall not include candy,
30 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending
31 machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

32 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,
33 except sub-sector 3118 (bakeries);

34 (ii) Sold in an unheated state by weight or volume as a single item;

1 (iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries,
2 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and is not sold with utensils
3 provided by the seller, including: plates, knives, forks, spoons, glasses, cups, napkins, or straws.

4 (10) Medicines, drugs, and durable medical equipment. From the sale and from the storage,
5 use, or other consumption in this state, of:

6 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and
7 insulin whether or not sold on prescription. For purposes of this exemption drugs shall not include
8 over-the-counter drugs and grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

9 (ii) Durable medical equipment as defined in § 44-18-7.1(k) for home use only, including,
10 but not limited to: syringe infusers, ambulatory drug delivery pumps, hospital beds, convalescent
11 chairs, and chair lifts. Supplies used in connection with syringe infusers and ambulatory drug
12 delivery pumps that are sold on prescription to individuals to be used by them to dispense or
13 administer prescription drugs, and related ancillary dressings and supplies used to dispense or
14 administer prescription drugs, shall also be exempt from tax.

15 (11) Prosthetic devices and mobility enhancing equipment. From the sale and from the
16 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),
17 sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles, eyeglasses,
18 and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription;
19 and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches,
20 and canes.

21 (12) Coffins, caskets, urns, shrouds and burial garments. From the sale and from the
22 storage, use, or other consumption in this state of coffins, caskets, urns, shrouds, and other burial
23 garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

24 (13) Motor vehicles sold to nonresidents.

25 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide nonresident
26 of this state who does not register the motor vehicle in this state, whether the sale or delivery of the
27 motor vehicle is made in this state or at the place of residence of the nonresident. A motor vehicle
28 sold to a bona fide nonresident whose state of residence does not allow a like exemption to its
29 nonresidents is not exempt from the tax imposed under § 44-18-20. In that event, the bona fide
30 nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed
31 in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-
32 20. Notwithstanding any other provisions of law, a licensed motor vehicle dealer shall add and
33 collect the tax required under this subdivision and remit the tax to the tax administrator under the
34 provisions of chapters 18 and 19 of this title. When a Rhode Island licensed, motor vehicle dealer

1 is required to add and collect the sales and use tax on the sale of a motor vehicle to a bona fide
2 nonresident as provided in this section, the dealer in computing the tax takes into consideration the
3 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

4 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
5 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the
6 tax administrator deems reasonably necessary to substantiate the exemption provided in this
7 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the
8 motor vehicle was the holder of, and had in his or her possession a valid out-of-state motor vehicle
9 registration or a valid out-of-state driver's license.

10 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of
11 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage, or
12 other consumption in this state, and is subject to, and liable for, the use tax imposed under the
13 provisions of § 44-18-20.

14 (14) Sales in public buildings by blind people. From the sale and from the storage, use, or
15 other consumption in all public buildings in this state of all products or wares by any person
16 licensed under § 40-9-11.1.

17 (15) Air and water pollution control facilities. From the sale, storage, use, or other
18 consumption in this state of tangible personal property or supplies acquired for incorporation into
19 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
20 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
21 of title 46 and chapter 23 of title 23, respectively, and that has been certified as approved for that
22 purpose by the director of environmental management. The director of environmental management
23 may certify to a portion of the tangible personal property or supplies acquired for incorporation
24 into those facilities or used and consumed in the operation of those facilities to the extent that that
25 portion has as its primary purpose the control of the pollution or contamination of the waters or air
26 of this state. As used in this subdivision, "facility" means any land, facility, device, building,
27 machinery, or equipment.

28 (16) Camps. From the rental charged for living quarters, or sleeping, or housekeeping
29 accommodations at camps or retreat houses operated by religious, charitable, educational, or other
30 organizations and associations mentioned in subsection (5), or by privately owned and operated
31 summer camps for children.

32 (17) Certain institutions. From the rental charged for living or sleeping quarters in an
33 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

34 (18) Educational institutions. From the rental charged by any educational institution for

1 living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations
2 to any student or teacher necessitated by attendance at an educational institution. "Educational
3 institution" as used in this section means an institution of learning not operated for profit that is
4 empowered to confer diplomas, educational, literary, or academic degrees; that has a regular
5 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual
6 school year; that keeps and furnishes to students and others records required and accepted for
7 entrance to schools of secondary, collegiate, or graduate rank; and no part of the net earnings of
8 which inures to the benefit of any individual.

9 (19) Motor vehicle and adaptive equipment for persons with disabilities.

10 (i) From the sale of: (A) Special adaptations; (B) The component parts of the special
11 adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the tax
12 administrator an affidavit of a licensed physician to the effect that the specially adapted motor
13 vehicle is necessary to transport a family member with a disability or where the vehicle has been
14 specially adapted to meet the specific needs of the person with a disability. This exemption applies
15 to not more than one motor vehicle owned and registered for personal, noncommercial use.

16 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not
17 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand
18 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-
19 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices
20 to auditory signals.

21 (iii) From the sale of: (a) Special adaptations, (b) The component parts of the special
22 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair
23 accessible public motor vehicle" as defined in § 39-14.1-1.

24 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor
25 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on
26 the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special
27 adaptations, including installation.

28 (20) Heating fuels. From the sale and from the storage, use, or other consumption in this
29 state of every type of heating fuel.

30 (21) Electricity and gas. From the sale and from the storage, use, or other consumption in
31 this state of electricity and gas.

32 (22) Manufacturing machinery and equipment.

33 (i) From the sale and from the storage, use, or other consumption in this state of tools, dies,
34 molds, machinery, equipment (including replacement parts), and related items to the extent used in

1 an industrial plant in connection with the actual manufacture, conversion, or processing of tangible
2 personal property, or to the extent used in connection with the actual manufacture, conversion, or
3 processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373
4 in the standard industrial classification manual prepared by the Technical Committee on Industrial
5 Classification, Office of Statistical Standards, Executive Office of the President, United States
6 Bureau of the Budget, as revised from time to time, to be sold, or that machinery and equipment
7 used in the furnishing of power to an industrial manufacturing plant. For the purposes of this
8 subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the
9 manufacture, conversion, or processing of tangible personal property to be sold in the regular
10 course of business;

11 (ii) Machinery and equipment and related items are not deemed to be used in connection
12 with the actual manufacture, conversion, or processing of tangible personal property, or in
13 connection with the actual manufacture, conversion, or processing of computer software as that
14 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification
15 manual prepared by the Technical Committee on Industrial Classification, Office of Statistical
16 Standards, Executive Office of the President, United States Bureau of the Budget, as revised from
17 time to time, to be sold to the extent the property is used in administration or distribution operations;

18 (iii) Machinery and equipment and related items used in connection with the actual
19 manufacture, conversion, or processing of any computer software or any tangible personal property
20 that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased
21 from a vendor or machinery and equipment and related items used during any manufacturing,
22 converting, or processing function is exempt under this subdivision even if that operation, function,
23 or purpose is not an integral or essential part of a continuous production flow or manufacturing
24 process;

25 (iv) Where a portion of a group of portable or mobile machinery is used in connection with
26 the actual manufacture, conversion, or processing of computer software or tangible personal
27 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
28 this subdivision even though the machinery in that group is used interchangeably and not otherwise
29 identifiable as to use.

30 (23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other
31 consumption in this state of so much of the purchase price paid for a new or used automobile as is
32 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of
33 the proceeds applicable only to the automobile as are received from the manufacturer of
34 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not

1 towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision,
2 the word "automobile" means a private passenger automobile not used for hire and does not refer
3 to any other type of motor vehicle.

4 (24) Precious metal bullion.

5 (i) From the sale and from the storage, use, or other consumption in this state of precious
6 metal bullion, substantially equivalent to a transaction in securities or commodities.

7 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary
8 precious metal that has been put through a process of smelting or refining, including, but not limited
9 to: gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that its value
10 depends upon its content and not upon its form.

11 (iii) The term does not include fabricated precious metal that has been processed or
12 manufactured for some one or more specific and customary industrial, professional, or artistic uses.

13 (25) Commercial vessels. From sales made to a commercial ship, barge, or other vessel of
14 fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the
15 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use
16 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the
17 vessels.

18 (26) Commercial fishing vessels. From the sale and from the storage, use, or other
19 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and
20 that are used exclusively for "commercial fishing," as defined in this subdivision, and from the
21 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property
22 purchased for the use of those vessels and other watercraft including provisions, supplies, and
23 material for the maintenance and/or repair of the vessels and other watercraft and the boats nets,
24 cables, tackle, and other fishing equipment appurtenant to or used in connection with the
25 commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or
26 attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for
27 profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence
28 fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include
29 vessels and other watercraft with a Rhode Island party and charter boat license issued by the
30 department of environmental management pursuant to § 20-2-27.1 that meet the following criteria:

31 (i) The operator must have a current United States Coast Guard (U.S.C.G.) license to carry
32 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)
33 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat
34 registration to prove Rhode Island home port status; and (iv) The vessel must be used as a

1 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be
2 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters
3 or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The
4 vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall
5 implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

6 (27) Clothing and footwear. From the sales of articles of clothing, including footwear,
7 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.
8 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including
9 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty
10 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"
11 does not include clothing accessories or equipment or special clothing or footwear primarily
12 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f). In
13 recognition of the work being performed by the streamlined sales and use tax governing board,
14 upon passage of any federal law that authorizes states to require remote sellers to collect and remit
15 sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The
16 unlimited exemption on sales of clothing and footwear shall take effect on the date that the state
17 requires remote sellers to collect and remit sales and use taxes.

18 (28) Water for residential use. From the sale and from the storage, use, or other
19 consumption in this state of water furnished for domestic use by occupants of residential premises.

20 (29) Bibles. [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see Notes
21 to Decisions.] From the sale and from the storage, use, or other consumption in the state of any
22 canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited
23 to, the Old Testament and the New Testament versions.

24 (30) Boats.

25 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not
26 register the boat or vessel in this state or document the boat or vessel with the United States
27 government at a home port within the state, whether the sale or delivery of the boat or vessel is
28 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30)
29 days after delivery by the seller outside the state for use thereafter solely outside the state.

30 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
31 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the
32 tax administrator deems reasonably necessary to substantiate the exemption provided in this
33 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be
34 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

1 (31) Youth activities equipment. From the sale, storage, use, or other consumption in this
2 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island
3 eleemosynary organizations, for the purposes of youth activities that the organization is formed to
4 sponsor and support; and by accredited elementary and secondary schools for the purposes of the
5 schools or of organized activities of the enrolled students.

6 (32) Farm equipment. From the sale and from the storage or use of machinery and
7 equipment used directly for commercial farming and agricultural production; including, but not
8 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
9 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
10 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
11 other farming equipment, including replacement parts appurtenant to or used in connection with
12 commercial farming and tools and supplies used in the repair and maintenance of farming
13 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the
14 production within this state of agricultural products, including, but not limited to, field or orchard
15 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production
16 provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator,
17 whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July
18 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I
19 shall be based on proof of annual, gross sales from commercial farming of at least twenty-five
20 hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this
21 subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or
22 greater. Level II shall be based on proof of annual gross sales from commercial farming of at least
23 ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption
24 provided in this subdivision including motor vehicles with an excise tax value of five thousand
25 dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount
26 of annual gross sales from commercial farming shall be required for the prior year; for any renewal
27 of an exemption granted in accordance with this subdivision at either level I or level II, proof of
28 gross annual sales from commercial farming at the requisite amount shall be required for each of
29 the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly
30 indicate the level of the exemption and be valid for four (4) years after the date of issue. This
31 exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for
32 a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after
33 July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for
34 registration displaying farm plates as provided for in § 31-3-31.

1 (33) Compressed air. From the sale and from the storage, use, or other consumption in the
2 state of compressed air.

3 (34) Flags. From the sale and from the storage, consumption, or other use in this state of
4 United States, Rhode Island or POW-MIA flags.

5 (35) Motor vehicle and adaptive equipment to certain veterans. From the sale of a motor
6 vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or
7 the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service
8 connected or not. The motor vehicle must be purchased by and especially equipped for use by the
9 qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or
10 regulations that the tax administrator may prescribe.

11 (36) Textbooks. From the sale and from the storage, use, or other consumption in this state
12 of textbooks by an "educational institution," as defined in subsection (18) of this section, and any
13 educational institution within the purview of § 16-63-9(4), and used textbooks by any purveyor.

14 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,
15 reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible
16 personal property or supplies used or consumed in the operation of equipment, the exclusive
17 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
18 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes," as defined
19 in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same
20 taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the
21 taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department
22 of environmental management certifying that the equipment and/or supplies as used or consumed,
23 qualify for the exemption under this subdivision. If any information relating to secret processes or
24 methods of manufacture, production, or treatment is disclosed to the department of environmental
25 management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it is not
26 open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of
27 title 28 or chapter 24.4 of title 23.

28 (38) Promotional and product literature of boat manufacturers. From the sale and from the
29 storage, use, or other consumption of promotional and product literature of boat manufacturers
30 shipped to points outside of Rhode Island that either: (i) Accompany the product that is sold; (ii)
31 Are shipped in bulk to out-of-state dealers for use in the sale of the product; or (iii) Are mailed to
32 customers at no charge.

33 (39) Food items paid for by food stamps. From the sale and from the storage, use, or other
34 consumption in this state of eligible food items payment for which is properly made to the retailer

1 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977,
2 7 U.S.C. § 2011 et seq.

3 (40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-
4 12-2(12) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed
5 with the Rhode Island public utilities commission on the number of miles driven or by the number
6 of hours spent on the job.

7 (41) Trade-in value of boats. From the sale and from the storage, use, or other consumption
8 in this state of so much of the purchase price paid for a new or used boat as is allocated for a trade-
9 in allowance on the boat of the buyer given in trade to the seller or of the proceeds applicable only
10 to the boat as are received from an insurance claim as a result of a stolen or damaged boat, towards
11 the purchase of a new or used boat by the buyer.

12 (42) Equipment used for research and development. From the sale and from the storage,
13 use, or other consumption of equipment to the extent used for research and development purposes
14 by a qualifying firm. For the purposes of this subsection, "qualifying firm" means a business for
15 which the use of research and development equipment is an integral part of its operation and
16 "equipment" means scientific equipment, computers, software, and related items.

17 (43) Coins. From the sale and from the other consumption in this state of coins having
18 numismatic or investment value.

19 (44) Farm structure construction materials. Lumber, hardware, and other materials used in
20 the new construction of farm structures, including production facilities such as, but not limited to:
21 farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying houses,
22 fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing rooms,
23 machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench silos,
24 feed storage sheds, and any other structures used in connection with commercial farming.

25 (45) Telecommunications carrier access service. Carrier access service or
26 telecommunications service when purchased by a telecommunications company from another
27 telecommunications company to facilitate the provision of telecommunications service.

28 (46) Boats or vessels brought into the state exclusively for winter storage, maintenance,
29 repair, or sale. Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax
30 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in
31 any year up to and including the 30th day of April next succeeding with respect to the use of any
32 boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in
33 this state for storage, including dry storage and storage in water by means of apparatus preventing
34 ice damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or

1 repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

2 (47) Jewelry display product. From the sale and from the storage, use, or other
3 consumption in this state of tangible personal property used to display any jewelry product;
4 provided that title to the jewelry display product is transferred by the jewelry manufacturer or seller
5 and that the jewelry display product is shipped out of state for use solely outside the state and is not
6 returned to the jewelry manufacturer or seller.

7 (48) Boats or vessels generally. Notwithstanding the provisions of this chapter, the tax
8 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,
9 use, or other consumption in this state of any new or used boat. The exemption provided for in this
10 subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten
11 percent (10%) surcharge on luxury boats is repealed.

12 (49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding
13 the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of
14 interstate and international, toll-free terminating telecommunication service that is used directly
15 and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided
16 that an eligible company employs on average during the calendar year no less than five hundred
17 (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this
18 section, an "eligible company" means a "regulated investment company" as that term is defined in
19 the Internal Revenue Code of 1986, 26 U.S.C. § 851, or a corporation to the extent the service is
20 provided, directly or indirectly, to or on behalf of a regulated investment company, an employee
21 benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

22 (50) Mobile and manufactured homes generally. From the sale and from the storage, use,
23 or other consumption in this state of mobile and/or manufactured homes as defined and subject to
24 taxation pursuant to the provisions of chapter 44 of title 31.

25 (51) Manufacturing business reconstruction materials.

26 (i) From the sale and from the storage, use, or other consumption in this state of lumber,
27 hardware, and other building materials used in the reconstruction of a manufacturing business
28 facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any
29 occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of
30 an operating manufacturing business facility within this state. "Disaster" does not include any
31 damage resulting from the willful act of the owner of the manufacturing business facility.

32 (ii) Manufacturing business facility includes, but is not limited to, the structures housing
33 the production and administrative facilities.

34 (iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty

1 percent (60%) provision applies to the damages suffered at that one site.

2 (iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance,
3 this exemption does not apply.

4 (52) Tangible personal property and supplies used in the processing or preparation of floral
5 products and floral arrangements. From the sale, storage, use, or other consumption in this state of
6 tangible personal property or supplies purchased by florists, garden centers, or other like producers
7 or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are
8 ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements
9 or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers,
10 plants, floral products, or natural and artificial floral arrangements, including descriptive labels,
11 stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers,
12 spray materials, floral paint and tint, plant shine, flower food, insecticide, and fertilizers.

13 (53) Horse food products. From the sale and from the storage, use, or other consumption
14 in this state of horse food products purchased by a person engaged in the business of the boarding
15 of horses.

16 (54) Non-motorized recreational vehicles sold to nonresidents.

17 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to
18 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle
19 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this
20 state or at the place of residence of the nonresident; provided that a non-motorized recreational
21 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to
22 its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in
23 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate
24 that would be imposed in his or her state of residence not to exceed the rate that would have been
25 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-
26 motorized recreational vehicle dealer shall add and collect the tax required under this subdivision
27 and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title.
28 Provided, that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required
29 to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona
30 fide nonresident as provided in this section, the dealer in computing the tax takes into consideration
31 the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

32 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
33 require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona fide
34 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption

1 provided in this subdivision, including the affidavit of a licensed, non-motorized recreational
2 vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and
3 had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or
4 a valid out-of-state driver's license.

5 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state within
6 ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-motorized
7 recreational vehicle for use, storage, or other consumption in this state, and is subject to, and liable
8 for, the use tax imposed under the provisions of § 44-18-20.

9 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and
10 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use
11 that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches" or
12 "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of
13 title 31.

14 (55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of
15 sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials
16 necessary and attendant to the installation of those systems that are required in buildings and
17 occupancies existing therein in July 2003 in order to comply with any additional requirements for
18 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003
19 and that are not required by any other provision of law or ordinance or regulation adopted pursuant
20 to that act. The exemption provided in this subdivision shall expire on December 31, 2008.

21 (56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-
22 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other
23 consumption in this state of any new or used aircraft or aircraft parts.

24 (57) Renewable energy products. Notwithstanding any other provisions of Rhode Island
25 general laws, the following products shall also be exempt from sales tax: solar photovoltaic
26 modules or panels, or any module or panel that generates electricity from light; solar thermal
27 collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic,
28 sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and
29 water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold
30 by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and
31 manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not
32 to include materials that could be fabricated into such racks; monitoring and control equipment, if
33 specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind
34 energy systems or if required by law or regulation for such systems but not to include pumps, fans

1 or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral
2 part of, another item specified on this list; and solar storage tanks that are part of a solar domestic
3 hot water system or a solar space heating system. If the tank comes with an external heat exchanger
4 it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

5 (58) Returned property. The amount charged for property returned by customers upon
6 rescission of the contract of sale when the entire amount exclusive of handling charges paid for the
7 property is refunded in either cash or credit, and where the property is returned within one hundred
8 twenty (120) days from the date of delivery.

9 (59) Dietary supplements. From the sale and from the storage, use, or other consumption
10 of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

11 (60) Blood. From the sale and from the storage, use, or other consumption of human blood.

12 (61) Agricultural products for human consumption. From the sale and from the storage,
13 use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute
14 food for human consumption and of livestock of the kind the products of which ordinarily constitute
15 fibers for human use.

16 (62) Diesel emission control technology. From the sale and use of diesel retrofit
17 technology that is required by § 31-47.3-4.

18 (63) Feed for certain animals used in commercial farming. From the sale of feed for
19 animals as described in subsection (61) of this section.

20 (64) Alcoholic beverages. From the sale and storage, use, or other consumption in this
21 state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and
22 malt beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to
23 the contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum
24 markup.

25 (65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use,
26 or other consumption in this state of seeds and plants used to grow food and food ingredients as
27 defined in § 44-18-7.1(l)(i). "Seeds and plants used to grow food and food ingredients" shall not
28 include marijuana seeds or plants.

29 (66) Feminine hygiene products. From the sale and from the storage, use, or other
30 consumption of tampons, panty liners, menstrual cups, sanitary napkins, and other similar products
31 the principal use of which is feminine hygiene in connection with the menstrual cycle.

32 (67) Trade-in value of motorcycles. From the sale and from the storage, use, or other
33 consumption in this state of so much of the purchase price paid for a new or used motorcycle as is
34 allocated for a trade-in allowance on the motorcycle of the buyer given in trade to the seller, or of

1 the proceeds applicable only to the motorcycle as are received from the manufacturer of
2 motorcycles for the repurchase of the motorcycle whether the repurchase was voluntary or not
3 towards the purchase of a new or used motorcycle by the buyer. For the purpose of this subdivision,
4 the word "motorcycle" means a motorcycle not used for hire and does not refer to any other type
5 of motor vehicle.

6 SECTION 13. Section 45-13-14 of the General Laws in Chapter 45-13 entitled "State Aid"
7 is hereby amended to read as follows:

8 **45-13-14. Adjustments to tax levy, assessed value, and full value when computing**
9 **state aid.**

10 (a) Whenever the director of revenue computes the relative wealth of municipalities for the
11 purpose of distributing state aid in accordance with title 16 and the provisions of § 45-13-12, he or
12 she shall base it on the full value of all property except:

13 (1) That exempted from taxation by acts of the general assembly and reimbursed under §
14 45-13-5.1 of the general laws, which shall have its value calculated as if the payment in lieu of tax
15 revenues received pursuant to § 45-13-5.1, has resulted from a tax levy;

16 (2) That whose tax levy or assessed value is based on a tax treaty agreement authorized by
17 a special public law or by reason of agreements between a municipality and the economic
18 development corporation in accordance with § 42-64-20 prior to May 15, 2005, which shall not
19 have its value included;

20 (3) That whose tax levy or assessed value is based on tax treaty agreements or tax
21 stabilization agreements in force prior to May 15, 2005, which shall not have its value included;

22 (4) That which is subject to a payment in lieu of tax agreement in force prior to May 15,
23 2005;

24 (5) Any other property exempt from taxation under state law; ~~or~~

25 (6) Any property subject to chapter 27 of title 44, taxation of Farm, Forest, and Open Space
26 Land; ~~or~~

27 (7) Any property exempt from taxation, in whole or in part, under the provisions of
28 subsections (a)(51), (a)(66), or (c) of § 44-3-3, § 44-3-47, § 44-3-65, or any other provision of law
29 that enables a city, town, or fire district to establish a tangible personal property exemption, which
30 shall have its value calculated as the full value of the property minus the exemption amount.

31 (b) The tax levy of each municipality and fire district shall be adjusted for any real estate
32 and personal property exempt from taxation by act of the general assembly by the amount of
33 payment in lieu of property tax revenue anticipated to be received pursuant to § 45-13-5.1 relating
34 to property tax from certain exempt private and state properties, and for any property subject to any

1 payment in lieu of tax agreements, any tax treaty agreements or tax stabilization agreements in
2 force after May 15, 2005, by the amount of the payment in lieu of taxes pursuant to such
3 agreements.

4 (c) Fire district tax levies within a city or town shall be included as part of the total levy
5 attributable to that city or town.

6 (d) The changes as required by subsections (a) through (c) of this section shall be
7 incorporated into the computation of entitlements effective for distribution in fiscal year 2007-2008
8 and thereafter.

9 SECTION 14. This article shall take effect upon passage except for Sections 3, 4, and 5,
10 which shall be effective November 1, 2022.

1 **ARTICLE 9**

2 **RELATING TO ECONOMIC DEVELOPMENT**

3 It is enacted by the General Assembly as follows:

4 SECTION 1. Section 42-64.19-3 in Chapter 42-64.19 entitled "Executive Office of
5 Commerce" is hereby amended to read as follows:

6 **42-64.19-3. Executive Office of Commerce.**

7 (a) There is hereby established within the executive branch of state government an
8 executive office of commerce effective February 1, 2015, to serve as the principal agency of the
9 executive branch of state government for managing the promotion of commerce and the economy
10 within the state and shall have the following powers and duties in accordance with the following
11 schedule:

12 (1) On or about February 1, 2015, to operate functions from the department of business
13 regulation;

14 (2) On or about April 1, 2015, to operate various divisions and functions from the
15 department of administration;

16 (3) On or before September 1, 2015, to provide to the Senate and the House of
17 Representatives a comprehensive study and review of the roles, functions, and programs of the
18 department of administration and the department of labor and training to devise recommendations
19 and a business plan for the integration of these entities with the office of the secretary of commerce.
20 The governor may include such recommendations in the Fiscal Year 2017 budget proposal; and

21 (4) On or before July 1, 2021, to provide for the hiring of a deputy secretary of commerce
22 and housing who shall report directly to the secretary of commerce. The deputy secretary of
23 commerce and housing shall:

24 (i) Prior to hiring, have completed and earned a minimum of a master's graduate degree in
25 the field of urban planning, economics, or a related field of study or possess a juris doctor law
26 degree. Preference shall be provided to candidates having earned an advanced degree consisting of
27 an L.L.M. law degree or Ph.D in urban planning or economics. Qualified candidates must have
28 documented five (5) years' full-time experience employed in the administration of housing policy
29 and/or development;

30 (ii) Be responsible for overseeing all housing initiatives in the state of Rhode Island and
31 developing a housing plan, including, but not limited to, the development of affordable housing
32 opportunities to assist in building strong community efforts and revitalizing neighborhoods;

33 (iii) Coordinate with all agencies directly related to any housing initiatives including, but
34 not limited to, the Rhode Island housing and mortgage finance corporation, coastal resources

1 management council (CRMC), and state departments including, but not limited to: the department
2 of environmental management (DEM), the department of business regulation (DBR), the
3 department of transportation (DOT) and statewide planning; and

4 (iv) Coordinate with the housing resources commission to formulate an integrated housing
5 report to include findings and recommendations to the governor, speaker of the house, senate
6 president, each chamber's finance committee, and any committee whose purview is reasonably
7 related to, including, but not limited to, issues of housing, municipal government, and health on or
8 before December 31, 2021, and annually thereafter which report shall include, but not be limited
9 to, the following:

10 (A) The total number of housing units in the state with per community counts, including
11 the number of Americans with Disabilities Act compliant special needs units;

12 (B) The occupancy and vacancy rate of the units referenced in subsection (a)(4)(iv)(A);

13 (C) The change in the number of units referenced in subsection (a)(4)(iv)(A), for each of
14 the prior three (3) years in figures and as a percentage;

15 (D) The number of net new units in development and number of units completed since the
16 prior report;

17 (E) For each municipality the number of single-family, two-family (2), and three-family
18 (3) units, and multi-unit housing delineated sufficiently to provide the lay reader a useful
19 description of current conditions, including a statewide sum of each unit type;

20 (F) The total number of units by income type;

21 (G) A projection of the number of status quo units;

22 (H) A projection of the number of units required to meet housing formation trends;

23 (I) A comparison of regional and other similarly situated state funding sources that support
24 housing development including a percentage of private, federal, and public support;

25 (J) A reporting of unit types by number of bedrooms for rental properties including an
26 accounting of all:

27 (I) Single-family units;

28 (II) Accessory dwelling units;

29 (III) Two-family (2) units;

30 (IV) Three-family (3) units;

31 (V) Multi-unit sufficiently delineated units;

32 (VI) Mixed use sufficiently delineated units; and

33 (VII) Occupancy and vacancy rates for the prior three (3) years;

34 (K) A reporting of unit types by ownership including an accounting of all:

- 1 (I) Single-family units;
- 2 (II) Accessory dwelling units;
- 3 (III) Two-family (2) units;
- 4 (IV) Three-family (3) units;
- 5 (V) Multi-unit sufficiently delineated units;
- 6 (VI) Mixed use sufficiently delineated units; and
- 7 (VII) Occupancy and vacancy rates for the prior three (3) years;
- 8 (L) A reporting of the number of applications submitted or filed for each community
- 9 according to unit type and an accounting of action taken with respect to each application to include,
- 10 approved, denied, appealed, approved upon appeal, and if approved, the justification for each
- 11 approval;
- 12 (M) A reporting of permits for each community according to affordability level that were
- 13 sought, approved, denied, appealed, approved upon appeal, and if approved, the justification for
- 14 each approval;
- 15 (N) A reporting of affordability by municipality that shall include the following:
- 16 (I) The percent and number of units of extremely low-, very low-, low-, moderate-, fair-
- 17 market rate, and above-market-rate units; including the average and median costs of those units;
- 18 (II) The percent and number of units of extremely low-, very low-, low-, and moderate-
- 19 income housing units required to satisfy the ten percent (10%) requirement pursuant to chapter 24
- 20 of title 45; including the average and median costs of those units;
- 21 (III) The percent and number of units for the affordability levels above moderate-income
- 22 housing, including a comparison to fair-market rent and fair-market homeownership; including the
- 23 average and median costs of those units;
- 24 (IV) The percentage of cost burden by municipality with population equivalent;
- 25 (V) The percentage and number of home financing sources, including all private, federal,
- 26 state, or other public support; and
- 27 (VI) The cost growth for each of the previous five (5) years by unit type at each
- 28 affordability level, by unit type;
- 29 (O) A reporting of municipal healthy housing stock by unit type and number of bedrooms
- 30 and providing an assessment of the state's existing housing stock and enumerating any risks to the
- 31 public health from that housing stock, including, but not limited to: the presence of lead, mold, safe
- 32 drinking water, disease vectors (insects and vermin), and other conditions that are an identifiable
- 33 health detriment. Additionally, the report shall provide the percentage of the prevalence of health
- 34 risks by age of the stock for each community by unit type and number of bedrooms; and

1 (P) A recommendation shall be included with the report required under this section that
2 shall provide consideration to any and all populations, ethnicities, income levels, and other relevant
3 demographic criteria determined by the deputy secretary, and with regard to any and all of the
4 criteria enumerated elsewhere in the report separately or in combination, provide recommendations
5 to resolve any issues that provide an impediment to the development of housing, including specific
6 data and evidence in support of the recommendation. All data and methodologies used to present
7 evidence are subject to review and approval of the chief of revenue analysis, and that approval shall
8 include an attestation of approval by the chief to be included in the report.

9 (b) In this capacity, the office shall:

10 (1) Lead or assist state departments and coordinate business permitting processes in order
11 to:

12 (i) Improve the economy, efficiency, coordination, and quality of the business climate in
13 the state;

14 (ii) Design strategies and implement best practices that foster economic development and
15 growth of the state's economy;

16 (iii) Maximize and leverage funds from all available public and private sources, including
17 federal financial participation, grants, and awards;

18 (iv) Increase public confidence by conducting customer centric operations whereby
19 commercial enterprise are supported and provided programs and services that will grow and nurture
20 the Rhode Island economy; and

21 (v) Be the state's lead agency for economic development.

22 (2) Provide oversight and coordination of all housing initiatives in the state of Rhode
23 Island.

24 (3) Provide oversight and coordination of all broadband and digital equity initiatives in the
25 state of Rhode Island, including, but not limited to, the following:

26 (i) Creating a statewide broadband strategic plan which shall include goals and strategies
27 related to internet access in the state. Such a plan shall include, but not be limited to considerations
28 such as speed, latency, affordability, access, sustainability, and digital equity and which shall be
29 submitted to the Governor, the speaker of the house of representatives, and the president of the
30 senate on or before December 31, 2022 and shall be updated every five years thereafter;

31 (ii) Coordinating with all agencies and quasi-agencies of the state relating to any broadband
32 initiative, including, but not limited to the Rhode Island department of business regulation, Rhode
33 Island division of information and technology, Rhode Island emergency management agency,
34 Rhode Island infrastructure bank, the division of public utilities and carriers, the department of

1 education, the department of environmental management, RI housing, the office of library and
2 information services, the department of labor and training, the division of purchasing, and the office
3 of healthy aging;

4 (iii) Hiring a statewide broadband coordinator and supporting staff contingent on
5 availability of funds, whether through the Rhode Island commerce corporation, department of
6 business regulation, the executive office of commerce, or a combination, to carry out the duties
7 herein;

8 (iv) Convening at least quarterly a broadband advisory committee, which is hereby
9 established, and shall include no more than thirteen members. The members of the broadband
10 advisory committee shall be appointed by the governor, one of whom shall be appointed in
11 consultation with the speaker of the house and one of whom shall be appointed in consultation with
12 the president of the senate. The broadband advisory committee shall be subject to the provisions of
13 R.I. Gen. Laws § 42-46-1, et seq. and shall advise the executive office of commerce on broadband
14 implementation efforts undertaken by the agency including but not limited to the development of a
15 state strategic plan and broadband-related investment strategies. The broadband advisory
16 committee will additionally invite telecommunications/IT experts and broadband stakeholders to
17 inform the committee.

18 (v) Creating grant and other programs to allow localities, community anchor institutions,
19 and public-private partnerships to invest in both middle-mile and last-mile broadband infrastructure
20 improvements. The executive office of commerce may appoint any state agency or quasi-state
21 agency to administer such program or programs. The executive office of commerce or any state
22 agency or quasi-state agency charged with administering such grant and other programs is
23 authorized to promulgate rules and regulations pursuant to § 42-35-3 of the State's general laws
24 that set forth the programs' goals, investment criteria, principles, and parameters. The executive
25 office of commerce or any state agency or quasi-state agency charged with administering such grant
26 and other programs is authorized to create funds to hold any federal or state appropriation for such
27 grant or other program. Such funds shall be established consistent with federal or state law that
28 makes the appropriation. Any such funds shall be exempt from attachment, levy, or any other
29 process at law or in equity.

30 (vi) Creating or otherwise administering programs, projects, initiatives, or mapping efforts
31 to further the investment in and development of broadband and digital equity in the State.

32 (c) The office shall include the office of regulatory reform and other administration
33 functions that promote, enhance, or regulate various service and functions in order to promote the
34 reform and improvement of the regulatory function of the state.

1 SECTION 2. Sections 42-64.20-5 and 42-64.20-10 of the General Laws in Chapter 42-
2 64.20 entitled "Rebuild Rhode Island Tax Credit Act" are hereby amended to read as follows:

3 **42-64.20-5. Tax credits.**

4 (a) An applicant meeting the requirements of this chapter may be allowed a credit as set
5 forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of
6 the general laws for a qualified development project.

7 (b) To be eligible as a qualified development project entitled to tax credits, an applicant's
8 chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the
9 time of application, that:

10 (1) The applicant has committed a capital investment or owner equity of not less than
11 twenty percent (20%) of the total project cost;

12 (2) There is a project financing gap in which after taking into account all available private
13 and public funding sources, the project is not likely to be accomplished by private enterprise
14 without the tax credits described in this chapter; and

15 (3) The project fulfills the state's policy and planning objectives and priorities in that:

16 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax
17 stabilization agreement from the municipality in which the real estate project is located on such
18 terms as the commerce corporation deems acceptable;

19 (ii) It (A) Is a commercial development consisting of at least 25,000 square feet occupied
20 by at least one business employing at least 25 full-time employees after construction or such
21 additional full-time employees as the commerce corporation may determine; (B) Is a multi-family
22 residential development in a new, adaptive reuse, certified historic structure, or recognized
23 historical structure consisting of at least 20,000 square feet and having at least 20 residential units
24 in a hope community; or (C) Is a mixed-use development in a new, adaptive reuse, certified historic
25 structure, or recognized historical structure consisting of at least 25,000 square feet occupied by at
26 least one business, subject to further definition through rules and regulations promulgated by the
27 commerce corporation; and

28 (iii) Involves a total project cost of not less than \$ 5,000,000, except for a qualified
29 development project located in a hope community or redevelopment area designated under § 45-
30 32-4 in which event the commerce corporation shall have the discretion to modify the minimum
31 project cost requirement.

32 (c) The commerce corporation shall develop separate, streamlined application processes
33 for the issuance of rebuild RI tax credits for each of the following:

34 (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 involve 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 of
6 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 tax
8 credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the rebuild RI tax
9 credit program.

10 (e) Applicants (1) 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, (2) Whose application
12 involves a certified historic structure or recognized historical structure, or (3) Whose project is
13 occupied by at least one manufacturer shall be exempt from the requirements of subsections
14 (b)(3)(ii) and (b)(3)(iii). The following procedure shall apply to such applicants:

15 (i) 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 (ii) The commerce corporation shall retain sole authority for determining the eligibility of
18 an applicant for tax credits awarded under this chapter; and

19 (iii) The commerce corporation shall not award in excess of fifteen percent (15%) of the
20 annual amount authorized in any fiscal year to applicants seeking tax credits pursuant to this
21 subsection (e).

22 (f) **Maximum project credit.**

23 (1) For qualified development projects, the maximum tax credit allowed under this chapter
24 shall be the lesser of (i) Thirty percent (30%) of the total project cost; or (ii) The amount needed to
25 close a project financing gap (after taking into account all other private and public funding sources
26 available to the project), as determined by the commerce corporation.

27 (2) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
28 exemptions allowed pursuant to this chapter, shall not exceed fifteen million dollars (\$15,000,000)
29 for any qualified development project under this chapter; except as provided in subsection (f)(3) of
30 this section; provided however, any qualified development project that exceeds the project cap upon
31 passage of this act shall be deemed not to exceed the cap, shall not be reduced, nor shall it be further
32 increased. No building or qualified development project to be completed in phases or in multiple
33 projects shall exceed the maximum project credit of fifteen million dollars (\$15,000,000) for all
34 phases or projects involved in the rehabilitation of the building. Provided, however, that for

1 purposes of this subsection and no more than once in a given fiscal year, the commerce corporation
2 may consider the development of land and buildings by a developer on the "I-195 land" as defined
3 in § 42-64.24-3(6) as a separate, qualified development project from a qualified development
4 project by a tenant or owner of a commercial condominium or similar legal interest including
5 leasehold improvement, fit out, and capital investment. Such qualified development project by a
6 tenant or owner of a commercial condominium or similar legal interest on the I-195 land may be
7 exempted from subsection (f)(1)(i) of this section.

8 (3) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
9 exemptions allowed pursuant to this chapter, shall not exceed twenty-five million dollars
10 (\$25,000,000) for the project for which the I-195 redevelopment district was authorized to enter
11 into a purchase and sale agreement for parcels 42 and P4 on December 19, 2018, provided that
12 project is approved for credits pursuant to this chapter by the commerce corporation.

13 (g) Credits available under this chapter shall not exceed twenty percent (20%) of the project
14 cost, provided, however, that the applicant shall be eligible for additional tax credits of not more
15 than ten percent (10%) of the project cost, if the qualified development project meets any of the
16 following criteria or other additional criteria determined by the commerce corporation from time
17 to time in response to evolving economic or market conditions:

18 (1) The project includes adaptive reuse or development of a recognized historical structure;

19 (2) The project is undertaken by or for a targeted industry;

20 (3) The project is located in a transit-oriented development area;

21 (4) The project includes residential development of which at least twenty percent (20%) of
22 the residential units are designated as affordable housing or workforce housing;

23 (5) The project includes the adaptive reuse of property subject to the requirements of the
24 industrial property remediation and reuse act, § 23-19.14-1 et seq.; or

25 (6) The project includes commercial facilities constructed in accordance with the minimum
26 environmental and sustainability standards, as certified by the commerce corporation pursuant to
27 Leadership in Energy and Environmental Design or other equivalent standards.

28 (h) **Maximum aggregate credits.** The aggregate sum authorized pursuant to this chapter,
29 inclusive of any sales and use tax exemptions allowed pursuant to this chapter, shall not exceed
30 ~~two hundred ten million dollars (\$210,000,000)~~ two hundred twenty five million dollars
31 (\$225,000,000), excluding any tax credits allowed pursuant to subsection (f)(3) of this section.

32 (i) Tax credits shall not be allowed under this chapter prior to the taxable year in which the
33 project is placed in service.

1 (j) The amount of a tax credit allowed under this chapter shall be allowable to the taxpayer
2 in up to five, annual increments; no more than thirty percent (30%) and no less than fifteen percent
3 (15%) of the total credits allowed to a taxpayer under this chapter may be allowable for any taxable
4 year.

5 (k) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
6 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
7 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for
8 the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits allowed
9 to a partnership, a limited-liability company taxed as a partnership, or multiple owners of property
10 shall be passed through to the persons designated as partners, members, or owners respectively pro
11 rata or pursuant to an executed agreement among persons designated as partners, members, or
12 owners documenting an alternate distribution method without regard to their sharing of other tax
13 or economic attributes of such entity.

14 (l) The commerce corporation, in consultation with the division of taxation, shall establish,
15 by regulation, the process for the assignment, transfer, or conveyance of tax credits.

16 (m) For purposes of this chapter, any assignment or sales proceeds received by the taxpayer
17 for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt from
18 taxation under title 44. If a tax credit is subsequently revoked or adjusted, the seller's tax calculation
19 for the year of revocation or adjustment shall be increased by the total amount of the sales proceeds,
20 without proration, as a modification under chapter 30 of title 44. In the event that the seller is not a
21 natural person, the seller's tax calculation under chapter 11, 13, 14, or 17 of title 44, as applicable,
22 for the year of revocation, or adjustment, shall be increased by including the total amount of the
23 sales proceeds without proration.

24 (n) The tax credit allowed under this chapter may be used as a credit against corporate
25 income taxes imposed under chapter 11, 13, 14, or 17, of title 44, or may be used as a credit against
26 personal income taxes imposed under chapter 30 of title 44 for owners of pass-through entities such
27 as a partnership, a limited-liability company taxed as a partnership, or multiple owners of property.

28 (o) In the case of a corporation, this credit is only allowed against the tax of a corporation
29 included in a consolidated return that qualifies for the credit and not against the tax of other
30 corporations that may join in the filing of a consolidated tax return.

31 (p) Upon request of a taxpayer and subject to annual appropriation, the state shall redeem
32 this credit, in whole or in part, for ninety percent (90%) of the value of the tax credit. The division
33 of taxation, in consultation with the commerce corporation, shall establish by regulation a
34 redemption process for tax credits.

1 (q) Projects eligible to receive a tax credit under this chapter may, at the discretion of the
2 commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
3 following classes of personal property only to the extent utilized directly and exclusively in the
4 project: (1) Furniture, fixtures, and equipment, except automobiles, trucks, or other motor vehicles;
5 or (2) Other materials, including construction materials and supplies, that are depreciable and have
6 a useful life of one year or more and are essential to the project.

7 (r) The commerce corporation shall promulgate rules and regulations for the administration
8 and certification of additional tax credit under subsection (e), including criteria for the eligibility,
9 evaluation, prioritization, and approval of projects that qualify for such additional tax credit.

10 (s) The commerce corporation shall not have any obligation to make any award or grant
11 any benefits under this chapter.

12 **42-64.20-10. Sunset.**

13 No credits shall be authorized to be reserved pursuant to this chapter after December 31,
14 ~~2022~~ 2023.

15 SECTION 3. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled “Rhode
16 Island Tax Increment Financing” is hereby amended to read as follows:

17 **42-64.21-9. Sunset.**

18 The commerce corporation shall enter into no agreement under this chapter after December
19 31, ~~2022~~ 2023.

20 SECTION 4. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled “Tax
21 Stabilization Incentive” is hereby amended to read as follows:

22 **42-64.22-15. Sunset.**

23 The commerce corporation shall enter into no agreement under this chapter after December
24 31, ~~2022~~ 2023.

25 SECTION 5. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled “First
26 Wave Closing Fund Act” is hereby amended to read as follows:

27 **42-64.23-8. Sunset.**

28 No financing shall be authorized to be reserved pursuant to this chapter after December 31,
29 ~~2022~~ 2023.

30 SECTION 6. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled “I-195
31 Redevelopment Project Fund Act” is hereby amended as follows:

32 **42-64.24-8. Sunset.**

33 No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant
34 to this chapter after December 31, ~~2022~~ 2023.

1 SECTION 7. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled “Small
2 Business Assistance Program Act” is hereby amended as follows:

3 **42-64.25-14. Sunset.**

4 No grants, funding, or incentives shall be authorized pursuant to this chapter after
5 December 31, ~~2022~~ 2023.

6 SECTION 8. Sections 42-64.26-3, 42-64.26-4, 42-64.26-5, and 42-64.26-12 of the
7 General Laws in Chapter 42-64.26 entitled “Stay Invested in RI Wavemaker Fellowship” are
8 hereby amended to read as follows:

9 **42-64.26-3. Definitions.**

10 As used in this chapter:

11 (1) “Eligible graduate” means an individual who meets the eligibility requirements under
12 this chapter.

13 (2) “Applicant” means an eligible graduate who applies for a tax credit for education loan
14 repayment expenses under this chapter.

15 (3) “Award” means a tax credit awarded by the commerce corporation to an applicant as
16 provided under this chapter.

17 (4) “Taxpayer” means an applicant who receives a tax credit under this chapter.

18 (5) “Commerce corporation” means the Rhode Island commerce corporation established
19 pursuant to chapter 64 of title 42.

20 (6) “Eligible expenses” or “education loan repayment expenses” means annual higher
21 education loan repayment expenses, including, without limitation, principal, interest and fees, as
22 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
23 repay for attendance at a postsecondary institution of higher learning.

24 (7) “Eligibility period” means a term of up to four (4) consecutive service periods
25 beginning with the date that an eligible graduate receives initial notice of award under this chapter
26 and expiring at the conclusion of the fourth service period after such date specified.

27 (8) “Eligibility requirements” means the following qualifications or criteria required for an
28 applicant to claim an award under this chapter:

29 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year
30 or graduate postsecondary institution of higher learning with an associate’s, bachelor’s, graduate,
31 or post-graduate degree and at which the applicant incurred education loan repayment expenses;

32 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer
33 located in this state throughout the eligibility period, whose employment is for work in one or more
34 of the following covered fields: life, natural or environmental sciences; computer, information or

1 software technology; advanced mathematics or finance; engineering; industrial design or other
2 commercially related design field; or medicine or medical device technology.

3 (9) “Full-time employee” means a person who is employed by a business for consideration
4 for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of
5 service generally accepted by custom or practice as full-time employment, or who is employed by
6 a professional employer organization pursuant to an employee leasing agreement between the
7 business and the professional employer organization for a minimum of thirty-five (35) hours per
8 week, or who renders any other standard of service generally accepted by custom or practice as
9 full-time employment, and whose wages are subject to withholding.

10 (10) “Healthcare applicant” means any applicant that meets the eligibility requirements and
11 works as a full-time employee as a high-demand healthcare practitioner, as defined in regulations
12 to be promulgated by the commerce corporation, in consultation with the executive office of health
13 and human services, pursuant to chapter 35 of this title.

14 ~~(1011)~~ “Service period” means a twelve (12) month period beginning on the date that an
15 eligible graduate receives initial notice of award under this chapter.

16 ~~(1112)~~ “Student loan” means a loan to an individual by a public authority or private lender
17 to assist the individual to pay for tuition, books, and living expenses in order to attend a
18 postsecondary institution of higher learning.

19 ~~(1213)~~ “Rhode Island-based employer” means (i) an employer having a principal place of
20 business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an employer
21 registered to conduct business in this state that reported Rhode Island tax liability in the previous
22 tax year.

23 ~~(1314)~~ “STEM/design fund” refers to the “Stay Invested in RI Wavemaker Fellowship
24 Fund” established pursuant to § 42-64.26-4(a).

25 (15) “Healthcare fund” refers to the “Healthcare Stay Invested in RI Wavemaker
26 Fellowship Fund” established pursuant to § 42-64.26-4(b).

27 **42-64.26-4. Establishment of fund — Purposes — Composition.**

28 (a) There is hereby established the "Stay Invested in RI Wavemaker Fellowship Fund" ~~(the~~
29 ~~“fund”)~~ to be administered by the commerce corporation as set forth in this chapter.

30 (b) There is hereby established the “Healthcare Stay Invested in RI Wavemaker Fellowship
31 Fund” to be administered by the commerce corporation as set forth in this chapter.

32 ~~(b)~~ The purpose of the ~~fund~~ STEM/design fund and healthcare fund is to expand
33 employment opportunities in the state and to retain talented individuals in the state by providing

1 tax credits in relation to education loan repayment expenses to applicants who meet the eligibility
2 requirements under this chapter.

3 (e) The ~~fund~~ STEM/design fund and healthcare fund shall consist of:

4 (1) Money appropriated in the state budget to the fund;

5 (2) Money made available to the fund through federal programs or private contributions;

6 and

7 (3) Any other money made available to the fund.

8 (d) The ~~fund~~ STEM/design fund shall be used to pay for the redemption of tax credits or
9 reimbursement to the state for tax credits applied against ~~a taxpayer's~~ the tax liability of any non-
10 healthcare applicant that received an award. The healthcare fund shall be used to pay for the
11 redemption of tax credits or reimbursement to the state for tax credits applied against the tax
12 liability of any healthcare applicant that received an award on or after July 1, 2022. The funds shall
13 be exempt from attachment, levy or any other process at law or in equity. The director of the
14 department of revenue shall make a requisition to the commerce corporation for funding during
15 any fiscal year as may be necessary to pay for the redemption of tax credits presented for
16 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
17 commerce corporation shall pay from the funds such amounts as requested by the director of the
18 department of revenue necessary for redemption or reimbursement in relation to tax credits granted
19 under this chapter.

20 **42-64.26-5. Administration.**

21 (a) *Application.* An eligible graduate claiming an award under this chapter shall submit to
22 the commerce corporation an application in the manner that the commerce corporation shall
23 prescribe.

24 (b) Upon receipt of a proper application from an applicant who meets all of the eligibility
25 requirements, the commerce corporation shall select applicants on a competitive basis to receive
26 credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for
27 an associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six
28 thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the
29 education loan repayment expenses incurred by such taxpayer during each service period
30 completed, for up to four (4) consecutive service periods provided that the taxpayer continues to
31 meet the eligibility requirements throughout the eligibility period. The commerce corporation shall
32 delegate the selection of the applicants that are to receive awards to a fellowship committee to be
33 convened by the commerce corporation and promulgate the selection procedures the fellowship
34 committee will use, which procedures shall require that the committee's consideration of

1 applications be conducted on a name-blind and employer-blind basis and that the applications and
2 other supporting documents received or reviewed by the fellowship committee shall be redacted of
3 the applicant's name, street address, and other personally-identifying information as well as the
4 applicant's employer's name, street address, and other employer-identifying information. The
5 commerce corporation shall determine the composition of the fellowship committee and the
6 selection procedures it will use in consultation with the state's chambers of commerce.
7 Notwithstanding the foregoing, the commerce corporation shall create and establish a committee
8 to evaluate any healthcare applicant for an award in the same manner as prescribed in this
9 paragraph. The executive office of health and human services ("EOHHS") shall be represented on
10 the committee and provide consultation to the commerce corporation on selection procedures.
11 Notwithstanding EOHHS's consultation and representation in the selection of healthcare
12 applicants, the commerce corporation shall administer all other aspects of a healthcare applicant's
13 application, award, and certification.

14 (c) The credits awarded under this chapter shall not exceed one hundred percent (100%)
15 of the education loan repayment expenses incurred by such taxpayer during each service period
16 completed for up to four (4) consecutive service periods. Tax credits shall be issued annually to the
17 taxpayer upon proof that (i) the taxpayer has actually incurred and paid such education loan
18 repayment expenses; (ii) the taxpayer continues to meet the eligibility requirements throughout the
19 service period; (iii) The award shall not exceed the original loan amount plus any capitalized
20 interest less award previously claimed under this section; and (iv) that the taxpayer claiming an
21 award is current on his or her student loan repayment obligations.

22 (d) The commerce corporation shall not commit to overall STEM/design awards in excess
23 of the amount contained in the ~~commerce-STEM/design~~ fund or to overall healthcare awards in
24 excess of the amount contained in the healthcare fund.

25 (e) The commerce corporation shall reserve seventy percent (70%) of the awards issued in
26 a calendar year to applicants who are permanent residents of the state of Rhode Island or who
27 attended an institution of higher education located in Rhode Island when they incurred the
28 education loan expenses to be repaid.

29 (f) In administering award, the commerce corporation shall:

30 (1) Require suitable proof that an applicant meets the eligibility requirements for award
31 under this chapter;

32 (2) Determine the contents of applications and other materials to be submitted in support
33 of an application for award under this chapter; and

1 (3) Collect reports and other information during the eligibility period for each award to
2 verify that a taxpayer continues to meet the eligibility requirements for an award.

3 **42-64.26-12. Sunset.**

4 No incentives or credits shall be authorized pursuant to this chapter after December 31,
5 ~~2022~~ 2023.

6 SECTION 9. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled “Main
7 Street Rhode Island Streetscape Improvement Fund” is hereby amended as follows:

8 **42-64.27-6. Sunset.**

9 No incentives shall be authorized pursuant to this chapter after December 31, ~~2022~~ 2023.

10 SECTION 10. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled
11 “Innovation Initiative” is hereby amended as follows:

12 **42-64.28-10. Sunset.**

13 No vouchers, grants, or incentives shall be authorized pursuant to this chapter after
14 December 31, ~~2022~~ 2023.

15 SECTION 11. Section 42-64.29-8 of the General Laws in Chapter 42-64.29 entitled
16 “Industry Cluster Grants” is hereby amended as follows:

17 **42-64.29-8. Sunset.**

18 No grants or incentives shall be authorized to be reserved pursuant to this chapter after
19 ~~June 30, 2021~~ December 31, 2023.

20 SECTION 12. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled “High
21 School, College, and Employer Partnerships” is hereby amended as follows:

22 **42-64.31-4. Sunset.**

23 No grants shall be authorized pursuant to this chapter after December 31, ~~2022~~ 2023.

24 SECTION 13. 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, ~~2022~~ 2023.

29 SECTION 14. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled “Rhode
30 Island Qualified Jobs Incentive Act of 2015” is hereby amended as follows:

31 **44-48.3-14. Sunset.**

32 No credits shall be authorized to be reserved pursuant to this chapter after December 31,
33 ~~2022~~ 2023.

34 SECTION 15. This Article shall take effect upon passage.

1 **ARTICLE 10**

2 **RELATING TO EDUCATION**

3 SECTION 1. Section 16-7-20 of the General Laws in Chapter 16-7 entitled "Foundation
4 Level School Support" is hereby amended to read as follows:

5 **16-7-20. Determination of state's share.**

6 (a) For each community the state's share shall be computed as follows: Let

7 R =state share ratio for the community.

8 v =adjusted equalized weighted assessed valuation for the community, as defined in § 16-
9 7-21(3).

10 V =sum of the values of v for all communities.

11 m =average daily membership of pupils in the community as defined in § 16-7-22(3).

12 M =total average daily membership of pupils in the state.

13 E =approved reimbursable expenditures for the community for the reference year minus the
14 excess costs of special education, tuitions, federal and state receipts, and other income.

15 Then the state share entitlement for the community shall be RE where

16 $R = 1 - 0.5vM/(Vm)$ through June 30, 2011, and $R = 1 - 0.475 vM/(Vm)$ beginning on
17 July 1, 2011 and thereafter. Except that in no case shall R be less than zero percent (0%).

18 (b) Whenever any funds are appropriated for educational purposes, the funds shall be used
19 for educational purposes only and all state funds appropriated for educational purposes must be
20 used to supplement any and all money allocated by a city or town for educational purposes and in
21 no event shall state funds be used to supplant, directly or indirectly, any money allocated by a city
22 or town for educational purposes. The courts of this state shall enforce this section by writ of
23 mandamus.

24 (c) Notwithstanding the calculations in subsection (a), the hospital school at the Hasbro
25 Children's Hospital shall be reimbursed one hundred percent (100%) of all expenditures approved
26 by the council on elementary and secondary education in accordance with currently existing rules
27 and regulations for administering state aid, and subject to annual appropriations by the general
28 assembly including, but not limited to, expenditures for educational personnel, supplies, and
29 materials in the prior fiscal year.

30 (d) In the event the computation of the state's share for any local education agency as
31 outlined in subsection (a) is determined to have been calculated incorrectly after the state budget
32 for that fiscal year has been enacted, the commissioner of elementary and secondary education shall
33 notify affected local education agencies, the senate president, and the speaker of the house within
34 fifteen (15) days of the determination.

1 (e) Realignment of aid payments to the affected local education agencies pursuant to
2 subsection (d) shall occur in the following fiscal year:

3 (1) If the determination shows aid is underpaid to the local education agency, any amounts
4 owed shall be paid in equal monthly installments.

5 (2) If the determination shows aid was overpaid, the department of elementary and
6 secondary education shall recapture some amount of the aid from the overpaid local education
7 agency. The amount to be withheld shall be equal to the amount of the overpayment prorated to the
8 number of full months remaining in the fiscal year when the notification required in subsection (d)
9 was made.

10 (f) The above notwithstanding, in no event shall the total paid to a local education agency
11 in the 2023 fiscal year pursuant subsection (a), above, be reduced as the result of the implementation
12 of section (1), above.

13 SECTION 2. Section 45-38.2-4 of the General Laws in Chapter 38.2-4 entitled “School
14 Building Authority Capital Fund” is hereby amended to read as follows:

15 **45-38.2-4. Payment of state funds.**

16 (a) Subject to the provisions of subsection (b), upon the written request of the corporation,
17 the general treasurer shall pay to the corporation, from time to time, from the proceeds of any bonds
18 or notes issued by the state for the purposes of this chapter or funds otherwise lawfully payable to
19 the corporation for the purposes of this chapter, such amounts as shall have been appropriated or
20 lawfully designated for the fund. All amounts so paid shall be credited to the fund in addition to
21 any other amounts credited or expected to be credited to the fund.

22 (b) The corporation and the state may enter into, execute, and deliver one or more
23 agreements setting forth or otherwise determining the terms, conditions, and procedures for, and
24 the amount, time, and manner of payment of, all amounts available from the state to the corporation
25 under this section.

26 (c) The corporation, per order of the school building authority capital fund, is authorized
27 to grant a district or municipality its state share of an approved project cost, pursuant to §§ 16-7-39
28 and 16-77.1-5. Construction pay-as-you-go grants received from the school building authority
29 capital fund shall not be considered a form of indebtedness subject to the provisions of § 16-7-44.

30 (d) (1) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding
31 city or town charter provisions to the contrary, prior to July 1, 2016, no voter approval shall be
32 required for loans in any amount made to a city or town for the local education agency's share of
33 total project costs.

1 (2) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding city
2 or town charter provisions to the contrary, on or after July 1, 2016, up to five hundred thousand
3 dollars (\$500,000) may be loaned to a city or town for the local education agency's share of total
4 project costs without the requirement of voter approval.

5 (e) (1) Funds from the two hundred fifty million (\$250,000,000) in general obligation
6 bonds, if approved on the November 2018 ballot, shall first be used to support the state share of
7 foundational housing aid and shall be offered to local education agencies on a pay-as-you-go basis
8 and not as a reimbursement of debt service for previously completed projects.

9 (2) Funds to support approved projects in a given year on a pay-as-you-go basis shall be
10 offered proportionately to local education agencies based on the total state share of foundational
11 housing aid awarded to projects in that year.

12 (3) Any excess funds up may be transferred to the school building authority capital fund in
13 an amount not to exceed five percent (5%) of any amount of bonds issued in a given year.

14 (f) (1) Two hundred million (\$200,000,000) in general obligation bonds, if approved on
15 the November 2022 ballot, shall be used to support approved projects as defined by § 16-7-36(2)
16 and shall be offered to local education agencies on a pay-as-you-go basis and not as a
17 reimbursement of debt service for previously completed projects.

18 (2) Fifty million (\$50,000,000) in general obligation bonds, if approved on the November
19 2022 ballot, shall be transferred to the school building authority capital fund to help create facility
20 equity between Rhode Island students.

21 (3) Any excess funds up may be transferred to the school building authority capital fund in
22 an amount not to exceed five percent (5%) of any amount of bonds issued in a given year.

23 ~~(g)~~ (g) Notwithstanding any provision to the contrary, the term of any bond, capital lease,
24 or other financing instrument shall not exceed the useful life of the project being financed.

25 ~~(e)~~ (h) In accordance with §§ 45-10-5.1 and 45-10-6, the auditor general shall give
26 guidance to municipalities and school districts on the uniform financial reporting of construction
27 debt authorized and issued, and on funding received from the state within ninety (90) days of the
28 passage of this article.

29 SECTION 3. This Article shall take effect upon passage.

1 **ARTICLE 11**

2 RELATING TO ADULT USE MARIJUANA

3 SECTION 1. Section 2-26-5 of the General Laws in Chapter 2-26 entitled “Hemp Growth
4 Act” is hereby amended to read as follows:

5 **2-26-5. Authority over licensing and sales.**

6 (a) The department shall prescribe rules and regulations for the licensing and regulation of
7 hemp growers, handlers, licensed CBD distributors, and licensed CBD retailers and persons
8 employed by the applicant not inconsistent with law, to carry into effect the provision of this chapter
9 and shall be responsible for the enforcement of the licensing.

10 (b) All growers, handlers, licensed CBD distributors, and licensed CBD retailers must have
11 a hemp license issued by the department. All production, distribution, and retail sale of hemp-
12 derived consumable CBD products must be consistent with any applicable state or local food
13 processing and safety regulations, and the applicant shall be responsible to ensure its compliance
14 with the regulations and any applicable food safety licensing requirements, including, but not
15 limited to, those promulgated by the department on health.

16 (c) The application for a hemp license shall include, but not be limited to, the following:

17 (1)(i) The name and address of the applicant who will supervise, manage, or direct the
18 growing and handling of hemp and the names and addresses of any person or entity partnering or
19 providing consulting services regarding the growing or handling of hemp; and

20 (ii) The name and address of the applicant who will supervise, manage, or direct the
21 distribution or sale of hemp-derived consumable CBD products, and names and addresses of any
22 person or entity partnering or providing consulting services regarding the distribution or sale of
23 hemp-derived CBD products.

24 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type
25 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-
26 3; any seeds that are obtained from a federal agency are presumed not to exceed the maximum
27 concentration and do not require a certificate of analysis.

28 (3) (i) The location of the facility, including the Global Positioning System location, and
29 other field reference information as may be required by the department with a tracking program
30 and security layout to ensure that all hemp grown is tracked and monitored from seed to distribution
31 outlets; and

32 (ii) The location of the facility and other information as may be required by the department
33 as to where the distribution or sale of hemp-derived consumable CBD products will occur.

1 (4) An explanation of the seed to sale tracking, cultivation method, extraction method, and
2 certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if
3 required by the department.

4 (5) Verification, prior to planting any seed, that the plant to be grown is of a type and
5 variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of one
6 percent (0.3%) on a dry-weight basis.

7 (6) Documentation that the licensee and/or its agents have entered into a purchase
8 agreement with a hemp handler, processor, distributor or retailer.

9 (7) All applicants:

10 (i) Shall apply to the state police, attorney general, or local law enforcement for a National
11 Criminal Identification records check that shall include fingerprints submitted to the Federal
12 Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in subsections
13 (c)(7)(iv) and (c)(7)(v), and in accordance with the rules promulgated by the department, the state
14 police shall inform the applicant, in writing, of the nature of the conviction, and the state police
15 shall notify the department, in writing, without disclosing the nature of the conviction, that a
16 conviction has been found;

17 (ii) In those situations in which no conviction has been found, the state police shall inform
18 the applicant and the department, in writing, of this fact;

19 (iii) All applicants shall be responsible for any expense associated with the criminal
20 background check with fingerprints.

21 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title
22 21, or any person who has been convicted of murder; manslaughter; first-degree sexual assault;
23 second-degree sexual assault; first-degree child molestation; second-degree child molestation;
24 kidnapping; first-degree arson; second-degree arson; mayhem; robbery; burglary; breaking and
25 entering; assault with a dangerous weapon; or any assault and battery punishable as a felony or
26 assault with intent to commit any offense punishable as a felony, shall be disqualified from holding
27 any license or permit under this chapter. The department shall notify any applicant, in writing, of a
28 denial of a license pursuant to this subsection, [provided that any disqualification or denial of license](#)
29 [shall be subject to the provisions of § 28-5.1-14 of the general laws.](#)

30 (v) For purposes of this section, "conviction" means, in addition to judgments of conviction
31 entered by a court subsequent to a finding of guilty, or plea of guilty, those instances where the
32 defendant has entered a plea of nolo contendere and has received a jail sentence or a suspended jail
33 sentence, or those instances wherein the defendant has entered into a deferred sentence agreement
34 with the Rhode Island attorney general and the period of deferment has not been completed.

1 (8) Any other information as set forth in rules and regulations as required by the
2 department.

3 (d) [Deleted by P.L. 2019, ch. 88, art. 15, §1].

4 (e) The department shall issue a hemp license to the grower or handler applicant if he, she,
5 or it meets the requirements of this chapter, upon the applicant paying a licensure fee of two
6 thousand five hundred dollars (\$2,500). Said license shall be renewed every two (2) years upon
7 payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any licensee convicted of
8 any disqualifying offense described in subsection (c)(7)(iv) shall have his, her, or its license
9 revoked. All license fees shall be directed to the department to help defray the cost of enforcement.
10 The department shall collect a nonrefundable application fee of two hundred fifty dollars (\$250)
11 for each application to obtain a license.

12 (f) Any grower or handler license applicant or license holder may also apply for and be
13 issued a CBD distributor and/or CBD retailer license at no additional cost provided their grower or
14 handler license is issued or renewed. CBD distributor and CBD retailer licenses shall be renewed
15 each year at no additional fee provided the applicant also holds or renews a grower and/or handler
16 license.

17 (g) For applicants who do not hold, renew, or receive a grower or handler license, CBD
18 distributor and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500). The
19 licenses shall be renewed each year upon approval by the department and payment of a five hundred
20 dollar (\$500) renewal fee.

21 SECTION 2. Chapter 12-1.3 of the General Laws entitled “EXPUNGEMENT OF
22 CRIMINAL RECORDS” is hereby amended by adding thereto the following section:

23 **12-1.3-5. Automatic expungement of marijuana related convictions.**

24 (a) Any person with a prior conviction for misdemeanor or felony possession of a
25 marijuana-related offense that has been decriminalized subsequent to the date of conviction shall
26 be entitled to have the criminal conviction automatically expunged, notwithstanding the provisions
27 of chapter 1.3 of title 12. No prior criminal charge and/or conviction having been expunged
28 pursuant to the provisions of this section may be used to impede a person from entering into the
29 cannabis industry or any government assistance programs. There shall be no expungement fee
30 assessed to the individual.

31 (b) Any person who has been incarcerated for misdemeanor or felony possession of
32 marijuana shall have all court costs waived with respect to expungement of his or her criminal
33 record under this section.

1 (c) Records shall be expunged pursuant to the procedures set forth in this chapter in
2 accordance with the following timelines:

3 (i) Records created prior to the effective date of this section, but on or after January 1,
4 2014, shall be automatically expunged January 1, 2023;

5 (ii) Records created prior to January 1, 2014, but on or after January 1, 2001, shall be
6 automatically expunged January 1, 2024;

7 (iii) Records created prior to January 1, 2001, shall be automatically expunged prior to
8 January 1, 2026.

9 (d) Nothing in this section shall be construed to restrict or modify a person's right to have
10 their records expunged, except as otherwise may be provided in this chapter, or diminish or
11 abrogate any rights or remedies otherwise available to the individual;

12 (e) The Rhode Island attorney general, in consultation with the Rhode Island state police
13 and the municipal police departments of the state, is hereby authorized to promulgate any and all
14 rules and regulations necessary to carry out the provisions of this section.

15 SECTION 3. Section 21-28.5-2 of the General Laws in Chapter of Chapter 21-28.5 entitled
16 "Sale of Drug Paraphernalia" is hereby amended to read as follows:

17 **21-28.5-2. Manufacture or delivery of drug paraphernalia – Penalty.**

18 It is unlawful for any person to deliver, sell, possess with intent to deliver, or sell, or
19 manufacture with intent to deliver, or sell drug paraphernalia, knowing that it will be used to plant,
20 propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare,
21 test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or introduce into the human
22 body a controlled substance in violation of chapter 28 of this title. A violation of this section shall
23 be punishable by a fine not exceeding five thousand dollars (\$5,000) or imprisonment not exceeding
24 two (2) years, or both.

25 Notwithstanding any other provision of the general laws, the sale, manufacture, or delivery
26 of drug paraphernalia to a person acting in accordance with chapters 28.6, 28.11, or 28.12 of this
27 title shall not be considered a violation of this chapter.

28 SECTION 4. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
29 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
30 section:

31 **21-28.6-16.1 Procurement and transfer of marijuana.**

32 (a) A compassion center or licensed medical marijuana cultivator that obtains a
33 corresponding hybrid license pursuant to chapter 28.12 of title 21 may procure marijuana and
34 marijuana products from or transfer medical marijuana for processing and product manufacturing

1 to a marijuana establishment that is licensed under chapter 28.12 provided such procurement,
2 processing, manufacturing and transfer is conducted in accordance and compliance with chapters
3 28.6, 28.11 and 28.12 of title 21 and regulations promulgated by the office of cannabis regulation
4 including regulations regarding product testing, labeling, packaging and other requirements
5 designed to ensure health, safety and patient access and all applicable provisions of title 44.

6 (b) Notwithstanding any other provision of the general laws, a licensed compassion center
7 that also holds a license as a hybrid marijuana retailer pursuant to chapter 28.12 of title 21 and the
8 regulations promulgated hereunder shall be exempt from the requirements of chapter 28.6 of title
9 21 requiring registration as a not-for-profit corporation under chapter 6 of title 7 of the general
10 laws, provided the compassion center maintains operation and licensure as a hybrid marijuana
11 retailer in good standing with the department of business regulation. The department of business
12 regulation may promulgate regulations or issue guidance to facilitate the transition from a not-for-
13 profit corporation to a for profit corporation or other entity including but not limited to the
14 requirement that the compassion center must update and/or resubmit licensing and application
15 documents which reflect this transfer.

16 SECTION 5. Sections 21-28.6-3, 21-28.6-5, and 21-28.6-6 of the General Laws in Chapter
17 21-28.6 entitled “The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act” are
18 hereby amended to read as follows:

19 **21-28.6-3 Definitions.**

20 For the purposes of this chapter:

21 (1) "Authorized purchaser" means a natural person who is at least twenty-one (21) years
22 old and who is registered with the department of health for the purposes of assisting a qualifying
23 patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no
24 more than one patient, and is prohibited from consuming marijuana obtained for the use of the
25 qualifying patient. An authorized purchaser shall be registered with the department of health and
26 shall possess a valid registry identification card.

27 (2) “Cannabis” means all parts of the plant of the genus marijuana, also known as marijuana
28 sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and
29 every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin
30 regardless of cannabinoid content or cannabinoid potency including “marijuana”, and “industrial
31 hemp” or “industrial hemp products” which satisfy the requirements of chapter 26 of title 2.

32 (3) “Cannabis testing laboratory” means a third-party analytical testing laboratory licensed
33 by the department of health, in coordination with the department of business regulation, to collect
34 and test samples of cannabis.

1 (4) "Cardholder" means a person who has been registered or licensed with the department
2 of health or the department of business regulation pursuant to this chapter and possesses a valid
3 registry identification card or license.

4 (5) "Commercial unit" means a building, or other space within a commercial or industrial
5 building, for use by one business or person and is rented or owned by that business or person.

6 (6)(i) "Compassion center" means a not-for-profit corporation, subject to the provisions of
7 chapter 6 of title 7, and licensed under § 21-28.6-12, that acquires, possesses, cultivates,
8 manufactures, ~~delivers~~, transfers, transports, supplies, or dispenses medical marijuana, and/or
9 related supplies and educational materials, to patient cardholders and/or their registered caregiver,
10 cardholder or authorized purchaser.

11 (ii) "Compassion center cardholder" means a principal officer, board member, employee,
12 volunteer, or agent of a compassion center who has registered with the department of business
13 regulation and has been issued and possesses a valid, registry identification card.

14 (7) "Debilitating medical condition" means:

15 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune
16 deficiency syndrome, Hepatitis C, post-traumatic stress disorder, or the treatment of these
17 conditions;

18 (ii) A chronic or debilitating disease or medical condition, or its treatment, that produces
19 one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain;
20 severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe and
21 persistent muscle spasms, including but not limited to, those characteristic of multiple sclerosis or
22 Crohn's disease; or agitation of Alzheimer's Disease; or

23 (iii) Any other medical condition or its treatment approved by the department of health, as
24 provided for in § 21-28.6-5.

25 (8) "Department of business regulation" means the Rhode Island department of business
26 regulation or its successor agency.

27 (9) "Department of health" means the Rhode Island department of health or its successor
28 agency.

29 (10) "Department of public safety" means the Rhode Island department of public safety or
30 its successor agency.

31 (11) "Dried marijuana" means the dried leaves and flowers of the marijuana plant as
32 defined by regulations promulgated by the department of business regulation.

33 (12) "Dwelling unit" means the room, or group of rooms, within a residential dwelling used
34 or intended for use by one family or household, or by no more than three (3) unrelated individuals,

1 with facilities for living, sleeping, sanitation, cooking, and eating.

2 (13) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
3 concentrated, or any other form, found to be equal to a portion of dried marijuana, as defined by
4 regulations promulgated by the department~~s~~ of business regulation.

5 (14) "Immature marijuana plant" means a marijuana plant, rooted or unrooted, with no
6 observable flower or buds.

7 (15) "Licensed medical marijuana cultivator" means a person or entity, as identified in §
8 43-3-6, who has been licensed by the department of business regulation to cultivate medical
9 marijuana pursuant to § 21-28.6-16.

10 (16) "Marijuana" has the meaning given that term in § 21-28-1.02.

11 (17) "Marijuana establishment licensee" means any person or entity licensed by the
12 department of business regulation under this chapter [or chapter 28.12 of title 21](#) whose license
13 permits it to engage in or conduct activities in connection with the medical marijuana program [or](#)
14 [adult use marijuana industry](#). "Marijuana establishment licensees" shall include [but not be limited](#)
15 [to](#), compassion centers, medical marijuana cultivators, ~~and~~ cannabis testing laboratories, [adult use](#)
16 [marijuana retailers, hybrid marijuana cultivators, and the holder of any other license issued by the](#)
17 [department of business regulation under chapters 28.6 or 28.12 of title 21 of the general laws and/or](#)
18 [as specified and defined in regulations promulgated by the department of business regulation](#).

19 (18) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are
20 readily observable by an unaided visual examination.

21 (19) "Medical marijuana emporium" means any establishment, facility or club, whether
22 operated for-profit or nonprofit, or any commercial unit, at which the sale, distribution, transfer or
23 use of medical marijuana or medical marijuana products is proposed and/or occurs to, by or among
24 registered patients, registered caregivers, authorized purchaser cardholders or any other person.
25 This shall not include a compassion center regulated and licensed by the department of business
26 regulation pursuant to the terms of this chapter.

27 (20) "Medical marijuana" means marijuana and marijuana products that satisfy the
28 requirements of this chapter and have been given the designation of "medical marijuana" due to
29 dose, potency, form. Medical marijuana products are only available for use by patient cardholders,
30 and may only be sold to or possessed by patient cardholders, or their registered caregiver, or
31 authorized purchaser in accordance with this chapter. Medical marijuana may not be sold to,
32 possessed by, manufactured by, or used except as permitted as under this chapter.

33 (21) "Medical marijuana plant tag set" or "plant tag" means any tag, identifier, registration,
34 certificate, or inventory tracking system authorized or issued by the department or which the

1 department requires be used for the lawful possession and cultivation of medical marijuana plants
2 in accordance with this chapter.

3 (22) "Medical use" means the acquisition, possession, cultivation, manufacture, use,
4 delivery, transfer, or transportation of medical marijuana or paraphernalia relating to the
5 consumption of marijuana to alleviate a patient cardholder's debilitating medical condition or
6 symptoms associated with the medical condition in accordance with the provisions of this chapter.

7 (23) "Practitioner" means a person who is licensed with authority to prescribe drugs
8 pursuant to chapters 34, 37, and 54 of title 5 who may provide a qualifying patient with a written
9 certification in accordance with regulations promulgated by the department of health.

10 (24) "Primary caregiver" means a natural person who is at least twenty-one (21) years old
11 who is registered under this chapter in order to, and who may assist one (1) qualifying patient, but
12 no more than five (5) qualifying patients, with their medical use of marijuana, provided that a
13 qualified patient may also serve as his or her own primary caregiver subject to the registration and
14 requirements set forth in § 21-28.6-4.

15 (25) "Qualifying patient" means a person who has been certified by a practitioner as having
16 a debilitating medical condition and is a resident of Rhode Island.

17 (26) "Registry identification card" means a document issued by the department of health
18 or the department of business regulation, as applicable, that identifies a person as a registered
19 qualifying patient, a registered primary caregiver, or authorized purchaser, or a document issued
20 by the department of business regulation or department of health that identifies a person as a
21 registered principal officer, board member, employee, volunteer, or agent of a compassion center,
22 licensed medical marijuana cultivator, cannabis testing lab, or any other medical marijuana
23 licensee.

24 (27) "Unusable marijuana" means marijuana seeds, stalks, and unusable roots and shall not
25 count towards any weight-based possession limits established in this chapter.

26 (28) "Usable marijuana" means the leaves and flowers of the marijuana plant, and any
27 mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.

28 (29) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant before
29 they have reached a dry state, as defined by regulations promulgated by the department of health
30 and department of business regulation.

31 (30) "Written certification" means a statement signed by a practitioner, stating that, in the
32 practitioner's professional opinion, the potential benefits of the medical use of marijuana would
33 likely outweigh the health risks for the qualifying patient. A written certification shall be made only
34 in the course of a bona fide, practitioner-patient relationship after the practitioner has completed a

1 full assessment of the qualifying patient's medical history. The written certification shall specify
2 the qualifying patient's debilitating medical condition or conditions which may include the
3 qualifying patient's medical records.

4 **21-28.6-5 Departments of health and business regulation to issue regulations.**

5 (a) Not later than ninety (90) days after the effective date of this chapter, the department of
6 health shall promulgate regulations governing the manner in which it shall consider petitions from
7 the public to add debilitating medical conditions to those included in this chapter. In considering
8 such petitions, the department of health shall include public notice of, and an opportunity to
9 comment in a public hearing, upon such petitions. The department of health shall, after hearing,
10 approve or deny such petitions within one hundred eighty (180) days of submission. The approval
11 or denial of such a petition shall be considered a final department of health action, subject to judicial
12 review. Jurisdiction and venue for judicial review are vested in the superior court. The denial of a
13 petition shall not disqualify qualifying patients with that condition, if they have a debilitating
14 medical condition as defined in § 21-28.6-3(57). The denial of a petition shall not prevent a person
15 with the denied condition from raising an affirmative defense.

16 (b) Not later than ninety (90) days after the effective date of this chapter, the department
17 of health shall promulgate regulations governing the manner in which it shall consider applications
18 for, and renewals of, registry identification cards for qualifying patients and authorized purchasers.
19 The department of health's regulations shall establish application and renewal fees that generate
20 revenues sufficient to offset all expenses of implementing and administering this chapter. The
21 department of health may vary the application and renewal fees along a sliding scale that accounts
22 for a qualifying patient's or caregiver's income. The department of health may accept donations
23 from private sources in order to reduce the application and renewal fees.

24 (c) Not later than October 1, 2019, the department of business regulation shall promulgate
25 regulations not inconsistent with law, to carry into effect the provisions of this section, governing
26 the manner in which it shall consider applications for, and renewals of, registry identification cards
27 for primary caregivers. The department of business regulation's regulations shall establish
28 application and renewal fees. The department of business regulation may vary the application and
29 renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's income. The
30 department of business regulation may accept donations from private sources in order to reduce the
31 application and renewal fees.

32 **21-28.6-6 Administration of departments of health and business regulation**
33 **regulations.**

1 (a) The department of health shall issue registry identification cards to qualifying patients
2 who submit the following, in accordance with the department's regulations. Applications shall
3 include but not be limited to:

- 4 (1) Written certification as defined in § 21-28.6-3;
- 5 (2) Application fee, as applicable;
- 6 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if
7 the patient is homeless, no address is required;
- 8 (4) Name, address, and telephone number of the qualifying patient's practitioner;
- 9 (5) Whether the patient elects to grow medical marijuana plants for himself or herself; and
- 10 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient and
11 any authorized purchaser for the qualifying patient, if any primary caregiver or authorized
12 purchaser is chosen by the patient or allowed in accordance with regulations promulgated by the
13 departments of health or business regulation.

14 (b) The department of health shall not issue a registry identification card to a qualifying
15 patient under the age of eighteen (18) unless:

- 16 (1) The qualifying patient's practitioner has explained the potential risks and benefits of the
17 medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal
18 custody of the qualifying patient; and
- 19 (2) A parent, guardian, or person having legal custody consents in writing to:
 - 20 (i) Allow the qualifying patient's medical use of marijuana;
 - 21 (ii) Serve as the qualifying patient's primary caregiver or authorized purchaser; and
 - 22 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical
23 use of marijuana by the qualifying patient.

24 (c) The department of health shall renew registry identification cards to qualifying patients
25 in accordance with regulations promulgated by the department of health and subject to payment of
26 any applicable renewal fee.

27 (d) The department of health shall not issue a registry identification card to a qualifying
28 patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen (18).

29 (e) The department of health shall verify the information contained in an application or
30 renewal submitted pursuant to this section, and shall approve or deny an application or renewal
31 within thirty-five (35) days of receiving it. The department may deny an application or renewal
32 only if the applicant did not provide the information required pursuant to this section, or if the
33 department determines that the information provided was falsified, or that the renewing applicant
34 has violated this chapter under their previous registration. Rejection of an application or renewal is

1 considered a final department action, subject to judicial review. Jurisdiction and venue for judicial
2 review are vested in the superior court.

3 (f) If the qualifying patient's practitioner notifies the department of health in a written
4 statement that the qualifying patient is eligible for hospice care or chemotherapy, the department
5 of health and department of business regulation, as applicable, shall give priority to these
6 applications when verifying the information in accordance with subsection (e) and issue a registry
7 identification card to these qualifying patients, primary caregivers and authorized purchasers within
8 seventy-two (72) hours of receipt of the completed application. The departments shall not charge a
9 registration fee to the patient, caregivers or authorized purchasers named in the application. The
10 department of health may identify through regulation a list of other conditions qualifying a patient
11 for expedited application processing.

12 (g) Following the promulgation of regulations pursuant to § 21-28.6-5(c), the department
13 of business regulation may issue or renew a registry identification card to the qualifying patient
14 cardholder's primary caregiver, if any, who is named in the qualifying patient's approved
15 application. The department of business regulation shall verify the information contained in
16 applications and renewal forms submitted pursuant to this chapter prior to issuing any registry
17 identification card. The department of business regulation may deny an application or renewal if
18 the applicant or appointing patient did not provide the information required pursuant to this section,
19 or if the department determines that the information provided was falsified, or if the applicant or
20 appointing patient has violated this chapter under their previous registration or has otherwise failed
21 to satisfy the application or renewal requirements.

22 (1) A primary caregiver applicant or an authorized purchaser applicant shall apply to the
23 bureau of criminal identification of the department of attorney general, department of public safety
24 division of state police, or local police department for a national criminal records check that shall
25 include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
26 disqualifying information as defined in subsection (g)(5), and in accordance with the rules
27 promulgated by the director, the bureau of criminal identification of the department of attorney
28 general, department of public safety division of state police, or the local police department shall
29 inform the applicant, in writing, of the nature of the disqualifying information; and, without
30 disclosing the nature of the disqualifying information, shall notify the department of business
31 regulation or department of health, as applicable, in writing, that disqualifying information has been
32 discovered.

33 (2) In those situations in which no disqualifying information has been found, the bureau of
34 criminal identification of the department of attorney general, department of public safety division

1 of state police, or the local police shall inform the applicant and the department of business
2 regulation or department of health, as applicable, in writing, of this fact.

3 (3) The department of health or department of business regulation, as applicable, shall
4 maintain on file evidence that a criminal records check has been initiated on all applicants seeking
5 a primary caregiver registry identification card or an authorized purchaser registry identification
6 card and the results of the checks. The primary caregiver cardholder shall not be required to apply
7 for a national criminal records check for each patient he or she is connected to through the
8 department's registration process, provided that he or she has applied for a national criminal records
9 check within the previous two (2) years in accordance with this chapter. The department of health
10 and department of business regulation, as applicable, shall not require a primary caregiver
11 cardholder or an authorized purchaser cardholder to apply for a national criminal records check
12 more than once every two (2) years.

13 (4) Notwithstanding any other provision of this chapter, the department of business
14 regulation or department of health may revoke or refuse to issue any class or type of registry
15 identification card or license if it determines that failing to do so would conflict with any federal
16 law or guidance pertaining to regulatory, enforcement and other systems that states, businesses, or
17 other institutions may implement to mitigate the potential for federal intervention or enforcement.
18 This provision shall not be construed to prohibit the overall implementation and administration of
19 this chapter on account of the federal classification of marijuana as a schedule I substance or any
20 other federal prohibitions or restrictions.

21 (5) Information produced by a national criminal records check pertaining to a conviction
22 for any felony offense under chapter 28 of this title 21 ("Rhode Island Controlled Substances Act");
23 murder; manslaughter; rape; first-degree sexual assault; second-degree sexual assault; first-degree
24 child molestation; second-degree child molestation; kidnapping; first-degree arson; second-degree
25 arson; mayhem; robbery; burglary; breaking and entering; assault with a dangerous weapon; assault
26 or battery involving grave bodily injury; and/or assault with intent to commit any offense
27 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
28 applicant and the department of health or department of business regulation, as applicable,
29 disqualifying the applicant. If disqualifying information has been found, the department of health
30 or department of business regulation, as applicable, may use its discretion to issue a primary
31 caregiver registry identification card or an authorized purchaser registry identification card if the
32 applicant's connected patient is an immediate family member and the card is restricted to that
33 patient only. [Any disqualification or denial of registration hereunder shall be subject to the](#)
34 [provisions of § 28-5.1-14 of the general laws.](#)

1 (6) The primary caregiver or authorized purchaser applicant shall be responsible for any
2 expense associated with the national criminal records check.

3 (7) For purposes of this section, "conviction" means, in addition to judgments of conviction
4 entered by a court subsequent to a finding of guilty or a plea of guilty, those instances where the
5 defendant has entered a plea of nolo contendere and has received a sentence of probation and those
6 instances where a defendant has entered into a deferred sentence agreement with the attorney
7 general.

8 (8) The office of cannabis regulation may adopt rules and regulations based on federal
9 guidance provided those rules and regulations are designed to comply with federal guidance and
10 mitigate federal enforcement against the registrations and licenses issued under this chapter.

11 (h)(1) On or before December 31, 2016, the department of health shall issue registry
12 identification cards within five (5) business days of approving an application or renewal that shall
13 expire two (2) years after the date of issuance.

14 (2) Effective January 1, 2017, and thereafter, the department of health or the department of
15 business regulation, as applicable, shall issue registry identification cards within five (5) business
16 days of approving an application or renewal that shall expire one year after the date of issuance.

17 (3) Registry identification cards shall contain:

18 (i) The date of issuance and expiration date of the registry identification card;

19 (ii) A random registry identification number;

20 (iii) A photograph; and

21 (iv) Any additional information as required by regulation or the department of health or
22 business regulation as applicable.

23 (i) Persons issued registry identification cards by the department of health or department
24 of business regulation shall be subject to the following:

25 (1) A qualifying patient cardholder shall notify the department of health of any change in
26 his or her name, address, primary caregiver, or authorized purchaser; or if he or she ceases to have
27 his or her debilitating medical condition, within ten (10) days of such change.

28 (2) A qualifying patient cardholder who fails to notify the department of health of any of
29 these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
30 fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating medical
31 condition, the card shall be deemed null and void and the person shall be liable for any other
32 penalties that may apply to the person's nonmedical use of marijuana.

33 (3) A primary caregiver cardholder or authorized purchaser shall notify the issuing
34 department of any change in his or her name or address within ten (10) days of such change. A

1 primary caregiver cardholder or authorized purchaser who fails to notify the issuing department of
2 any of these changes is responsible for a civil infraction, punishable by a fine of no more than one
3 hundred fifty dollars (\$150).

4 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
5 department of health or department of business regulation, as applicable, of any changes listed in
6 this subsection, the department of health or department of business regulation, as applicable, shall
7 issue the qualifying patient cardholder and each primary caregiver cardholder a new registry
8 identification card within ten (10) days of receiving the updated information and a ten-dollar
9 (\$10.00) fee.

10 (5) When a qualifying patient cardholder changes his or her primary caregiver or authorized
11 purchaser, the department of health or department of business regulation, as applicable shall notify
12 the primary caregiver cardholder or authorized purchaser within ten (10) days. The primary
13 caregiver cardholder's protections as provided in this chapter as to that patient shall expire ten (10)
14 days after notification by the issuing department. If the primary caregiver cardholder or authorized
15 purchaser is connected to no other qualifying patient cardholders in the program, he or she must
16 return his or her registry identification card to the issuing department.

17 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he
18 or she shall notify the department that issued the card and submit a ten-dollar (\$10.00) fee within
19 ten (10) days of losing the card. Within five (5) days, the department of health or department of
20 business regulation shall issue a new registry identification card with new random identification
21 number.

22 (7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her registration
23 with regard to the growing of medical marijuana for himself or herself, he or she shall notify the
24 department prior to the purchase of medical marijuana tags or the growing of medical marijuana
25 plants.

26 (8) If a cardholder or authorized purchaser willfully violates any provision of this chapter
27 as determined by the department of health or the department of business regulation, his or her
28 registry identification card may be revoked.

29 (j) Possession of, or application for, a registry identification card shall not constitute
30 probable cause or reasonable suspicion, nor shall it be used to support the search of the person or
31 property of the person possessing or applying for the registry identification card, or otherwise
32 subject the person or property of the person to inspection by any governmental agency.

33 (k)(1) Applications and supporting information submitted by qualifying patients, including
34 information regarding their primary caregivers, authorized purchaser, and practitioners, are

1 confidential and protected in accordance with the federal Health Insurance Portability and
2 Accountability Act of 1996, as amended, and shall be exempt from the provisions of chapter 2 of
3 title 38 et seq. (Rhode Island access to public records act) and not subject to disclosure, except to
4 authorized employees of the departments of health and business regulation as necessary to perform
5 official duties of the departments, and pursuant to subsection (l) and (m).

6 (2) The application for qualifying patient's registry identification card shall include a
7 question asking whether the patient would like the department of health to notify him or her of any
8 clinical studies about marijuana's risk or efficacy. The department of health shall inform those
9 patients who answer in the affirmative of any such studies it is notified of, that will be conducted
10 in Rhode Island. The department of health may also notify those patients of medical studies
11 conducted outside of Rhode Island.

12 (3) The department of health and the department of business regulation, as applicable, shall
13 maintain a confidential list of the persons to whom the department of health or department of
14 business regulation has issued authorized patient, primary caregiver, and authorized purchaser
15 registry identification cards. Individual names and other identifying information on the list shall be
16 confidential, exempt from the provisions of Rhode Island access to public records, chapter 2 of title
17 38, and not subject to disclosure, except to authorized employees of the departments of health and
18 business regulation as necessary to perform official duties of the departments and of this section.

19 (l) Notwithstanding subsections (k) and (m), the departments of health and business
20 regulation, as applicable, shall verify to law enforcement personnel whether a registry identification
21 card is valid and may provide additional information to confirm whether a cardholder is compliant
22 with the provisions of this chapter and the regulations promulgated hereunder. The department of
23 business regulation shall verify to law enforcement personnel whether a registry identification card
24 is valid and may confirm whether the cardholder is compliant with the provisions of this chapter
25 and the regulations promulgated hereunder. This verification may occur through the use of a shared
26 database, provided that any medical records or confidential information in this database related to
27 a cardholder's specific medical condition is protected in accordance with subsection (k)(1).

28 (m) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a one
29 thousand dollar (\$1,000) fine, for any person, including an employee or official of the departments
30 of health, business regulation, public safety, or another state agency or local government, to breach
31 the confidentiality of information obtained pursuant to this chapter. Notwithstanding this provision,
32 the department of health and department of business regulation employees may notify law
33 enforcement about falsified or fraudulent information submitted to the department or violations of

1 this chapter. Nothing in this act shall be construed as to prohibit law enforcement, public safety,
2 fire, or building officials from investigating violations of, or enforcing state law.

3 (n) On or before the fifteenth day of the month following the end of each quarter of the
4 fiscal year, the department of health and the department of business regulation shall report to the
5 governor, the speaker of the House of Representatives, and the president of the senate on
6 applications for the use of marijuana for symptom relief. The report shall provide:

7 (1) The number of applications for registration as a qualifying patient, primary caregiver,
8 or authorized purchaser that have been made to the department of health and the department of
9 business regulation during the preceding quarter, the number of qualifying patients, primary
10 caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions
11 of the qualifying patients, the number of registrations revoked, and the number and specializations,
12 if any, of practitioners providing written certification for qualifying patients.

13 (o) On or before September 30 of each year, the department of health and the department
14 of business regulation, as applicable, shall report to the governor, the speaker of the House of
15 Representatives, and the president of the senate on the use of marijuana for symptom relief. The
16 report shall provide:

17 (1) The total number of applications for registration as a qualifying patient, primary
18 caregiver, or authorized purchaser that have been made to the department of health and the
19 department of business regulation, the number of qualifying patients, primary caregivers, and
20 authorized purchasers approved, the nature of the debilitating medical conditions of the qualifying
21 patients, the number of registrations revoked, and the number and specializations, if any, of
22 practitioners providing written certification for qualifying patients;

23 (2) The number of active qualifying patient, primary caregiver, and authorized purchaser
24 registrations as of June 30 of the preceding fiscal year;

25 (3) An evaluation of the costs permitting the use of marijuana for symptom relief, including
26 any costs to law enforcement agencies and costs of any litigation;

27 (4) Statistics regarding the number of marijuana-related prosecutions against registered
28 patients and caregivers, and an analysis of the facts underlying those prosecutions;

29 (5) Statistics regarding the number of prosecutions against physicians for violations of this
30 chapter; and

31 (6) Whether the United States Food and Drug Administration has altered its position
32 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
33 for marijuana.

1 (p) After June 30, 2018, the department of business regulation shall report to the speaker
2 of the house, senate president, the respective fiscal committee chairpersons, and fiscal advisors
3 within 60 days of the close of the prior fiscal year. The report shall provide:

4 (1) The number of applications for registry identification cards to compassion center staff,
5 the number approved, denied and the number of registry identification cards revoked, and the
6 number of replacement cards issued;

7 (2) The number of applications for compassion centers and licensed cultivators;

8 (3) The number of marijuana plant tag sets ordered, delivered, and currently held within
9 the state;

10 (4) The total revenue collections of any monies related to its regulator activities for the
11 prior fiscal year, by the relevant category of collection, including enumerating specifically the total
12 amount of revenues foregone or fees paid at reduced rates pursuant to this chapter.
13

14 SECTION 6. Title 21 of the General Laws entitled "FOOD AND DRUGS" is hereby
15 amended by adding thereto the following Chapters:

16 CHAPTER 28.11

17 ADULT USE OF MARIJUANA ACT

18 21-28.11-1. Short title.

19 This chapter shall be known and may be cited as the "Adult Use of Marijuana Act."

20 21-28.11-2. Legislative Findings.

21 The general assembly finds and declares that:

22 (1) Prohibiting the possession, cultivation, and sale of cannabis to adults has proven to be
23 an ineffective policy for the State of Rhode Island. In the absence of a legal, tightly regulated
24 market, an illicit cannabis industry has thrived, undermining the public health, safety and welfare
25 of Rhode Islanders.

26 (2) Regional and national shifts in cannabis policy have increased access to legal cannabis
27 and marijuana products for Rhode Islanders in other states, the sale of which benefits the residents
28 of the providing state while providing no funds to the State of Rhode Island to address the public
29 health, safety and welfare externalities that come with increased access to cannabis, including
30 marijuana.

31 (3) It is in the best interests of the of the State of Rhode Island to implement a new
32 regulatory framework and tax structure for the commercial production and sale of cannabis and
33 cannabis products, all aspects of which shall be tightly regulated and controlled by the provisions
34 of this act and the office of cannabis regulation, the revenue from which is to be used to tightly

1 regulate cannabis and cannabis products and to study and mitigate the risks and deleterious
2 impacts that cannabis and marijuana use may have on the citizens and State of Rhode Island.

3 **21-28.11-3. Definitions.**

4 For purposes of this chapter:

5 (1) "Adult use marijuana cultivator" means an entity that holds a license to cultivate
6 marijuana pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by
7 the office of cannabis regulation and includes a hybrid marijuana cultivator.

8 (2) "Adult use marijuana retailer" means an entity that holds a license to sell marijuana at
9 retail pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by the
10 office of cannabis regulation and includes a hybrid marijuana retailer.

11 (3) "Cannabis" means all parts of the plant of the genus marijuana, also known as marijuana
12 sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and
13 every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin
14 regardless of cannabinoid content or cannabinoid potency including "marijuana", and "industrial
15 hemp" or "industrial hemp products" which satisfy the requirements of chapter 2-26 of the general
16 laws and the regulations promulgated thereunder.

17 (4) "Cannabis plant" means a cannabis plant, rooted or unrooted, with no observable flower
18 or buds.

19 (5) "Department" or "department of business regulation" means the office of cannabis regulation
20 within the department of business regulation or its successor agency.

21 (6) "Dwelling unit" means a room or group of rooms within a residential dwelling used or
22 intended for use by one family or household, or by no more than three (3) unrelated individuals, with
23 facilities for living, sleeping, sanitation, cooking, and eating.

24 (7) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
25 concentrated, or any other form, found to be equal to a portion of dried, marijuana, as defined by
26 regulations promulgated by the office of cannabis regulation.

27 (8) "Hybrid marijuana cultivator" means an entity that holds a medical marijuana cultivator
28 license pursuant to chapter 28.6 of title 21 that also holds a license to cultivate marijuana pursuant
29 to chapter 28.12 of title 21 and in accordance with regulations promulgated by the office of cannabis
30 regulation.

31 (9) "Hybrid marijuana retailer" means an entity that holds a medical marijuana compassion
32 center license pursuant to chapter 28.6 of title 21 that also holds a license to sell marijuana at retail
33 pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by the office
34 of cannabis regulation.

1 (10) "Industrial Hemp" means the plant of the genus cannabis and any part of such plant,
2 whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed
3 three-tenths percent (0.3%) on a dry-weight basis of any part of the plant cannabis, or per volume
4 or weight of cannabis product or the combined percent of delta-9 tetrahydrocannabinol and
5 tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content,
6 which satisfy the requirements of chapter 2-26 of the general laws and the regulations promulgated
7 thereunder.

8 (11) "Industrial Hemp products" means all products made from industrial hemp plants,
9 including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, paint, paper,
10 construction materials, plastics, seed, seed meal, seed oil, and certified for cultivation which satisfy
11 the requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.

12 (12) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
13 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
14 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
15 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
16 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
17 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
18 plant which is incapable of germination. Marijuana shall not include "industrial hemp" or
19 industrial hemp products" which satisfy the requirements of chapter 26 of title 2 of the general laws
20 and the regulations promulgated thereunder.

21 (13) "Marijuana establishment" and "marijuana establishment licensee" means any person
22 or entity licensed by the office of cannabis regulation under chapter 28.12 or chapter 28.6 of title
23 21 whose license permits it to engage in or conduct activities in connection with the adult use
24 marijuana industry or medical marijuana program and includes but is not limited to a licensed
25 adult use marijuana retailer, marijuana testing facility, hybrid marijuana retailer, adult use marijuana
26 cultivator, hybrid marijuana cultivator, compassion center, medical marijuana cultivator, or any
27 other license issued by the office of cannabis regulation under chapter 28.12 or chapter 28.6 of title
28 21 and/or as specified and defined in regulations promulgated by the office of cannabis regulation.

29 (14) "Marijuana paraphernalia" means equipment, products, and materials which are used
30 or intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing,
31 compounding, converting, producing, processing, preparing, testing, analyzing, packaging,
32 repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or otherwise
33 introducing marijuana into the human body.

34 (15) "Marijuana products" means any form of marijuana, including concentrated marijuana

1 and products that are comprised of marijuana and other ingredients that are intended for use or
2 consumption, such as, but not limited to, extracts, infusions, edible products, ointments, and tinctures, as
3 further defined in regulations promulgated by the office of cannabis regulation.

4 (16) "Marijuana testing facility" and "cannabis testing laboratory" means a third-party
5 analytical testing laboratory licensed by the departments of health and office of cannabis regulation
6 to collect and test samples of cannabis pursuant to regulations promulgated by the departments.

7 (17) "Office of cannabis regulation" means the office of cannabis regulation within the
8 department of business regulation.

9 (18) "Public place" means any street, alley, park, sidewalk, public building other than individual
10 dwelling, or any place of business or assembly open to or frequented by the public, and any other
11 place to which the public has access.

12 (19) "Smoke" or "smoking" means heating to at least the point of combustion, causing plant
13 material to burn, inhaling, exhaling, burning, or carrying any lighted or heated cigarette, pipe, weed, plant,
14 other marijuana product in any manner or in any form intended for inhalation in any manner or form and
15 includes but is not limited to the use of electronic cigarettes, electronic pipes, electronic marijuana delivery
16 system products, or other similar products that rely on vaporization or aerosolization.

17 (20) "State prosecution" means prosecution initiated or maintained by the state of Rhode Island
18 or an agency or political subdivision of the state of Rhode Island.

19 (21) "Vaporize" or "vape" means heating below the point of combustion and resulting in a
20 vapor or mist.

21 **21-28.11-4. Exempt activities.**

22 Effective from and after April 1, 2023, except as otherwise provided in this chapter:

23 (1) A person who is twenty-one (21) years of age or older is exempt from arrest, civil or
24 criminal penalty, seizure or forfeiture of assets, discipline by any state or local licensing board, and state
25 prosecution for solely engaging in the following acts:

26 (i) Actually or constructively using, obtaining, purchasing, transporting, or possessing one ounce
27 (1 oz.) or less of marijuana plant material, or an equivalent amount of marijuana product as determined
28 by regulations promulgated by the office of cannabis regulation, provided that a person who is twenty-
29 one (21) years of age or older may only purchase one ounce (1 oz.) of marijuana plant material, or an
30 equivalent amount of marijuana product as determined by regulations promulgated by the office of
31 cannabis regulation per day;

32 (ii) Possessing in the person's primary residence in secured and locked storage five ounces
33 (5 oz) or less of marijuana plant material or an equivalent amount of marijuana product as determined
34 by regulations promulgated by the office of cannabis regulation, or possessing in any dwelling unit used

1 as the a primary residence by two or more persons who are each twenty-one (21) years of age or
2 older in secured and locked storage ten ounces (10 oz.) or less of marijuana plant material or an
3 equivalent amount of marijuana product as determined by regulations promulgated by the office of
4 cannabis regulation;

5 (iii) Controlling any premises or vehicle where persons who are twenty-one (21) years of age
6 or older possess, process, or store amounts of marijuana plant material and marijuana products that are
7 legal under state law under subsections (1)(i) and (1)(ii) of this section, provided that any and all
8 marijuana plant material and/or marijuana products in a vehicle are sealed, unused, and in their original
9 unopened packaging;

10 (iv) Giving away, without consideration, the amounts of marijuana and marijuana products
11 that are legal under state law under subsection (1)(i) of this section, if the recipient is a person who is
12 twenty-one (21) years of age or older, provided the gift or transfer of marijuana is not advertised or
13 promoted to the public and the gift or transfer of marijuana is not in conjunction with the sale or transfer
14 of any money, consideration or value, or another item or any other services in an effort to evade laws
15 governing the sale of marijuana;

16 (v) Aiding and abetting another person who is twenty-one (21) years of age or older in the
17 actions allowed under this chapter; and

18 (vi) Any combination of the acts described within subsections (1)(i) through (1)(v) of this
19 section, inclusive.

20 (2) Except as provided in this chapter and chapter 28.12 of title 21, an adult use marijuana
21 retailer, hybrid marijuana retailer 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 agent
23 of a licensed retailer is exempt from arrest, civil or criminal penalty, seizure or forfeiture of assets,
24 discipline by any state or local licensing board, and state prosecution for solely engaging in the
25 following acts:

26 (i) Actually or constructively transporting or possessing marijuana or marijuana products that
27 were purchased from a hybrid marijuana cultivator, another adult use marijuana retailer, or any other
28 marijuana establishment in accordance with regulations promulgated by the office of cannabis
29 regulation;

30 (ii) Manufacturing, possessing, producing, obtaining, or purchasing marijuana paraphernalia;

31 (iii) Selling, delivering, or transferring marijuana or marijuana products to another retailer in
32 accordance with regulations promulgated by the office of cannabis regulation;

33 (iv) Selling, transferring, or delivering, no more than, one ounce (1 oz.) of marijuana, or an
34 equivalent amount of marijuana product per day, or marijuana paraphernalia to any person who is

1 twenty-one (21) years of age or older, in accordance with regulations promulgated by the office of
2 cannabis regulation and within the transaction limits of this chapter, chapter 21-28.12 and transactions
3 limits specified in regulations promulgated by the office of cannabis regulation;

4 (v) Transferring or delivering marijuana or marijuana products to a cannabis testing facility
5 in accordance with regulations promulgated by the office of cannabis regulation;

6 (vi) Controlling any premises or vehicle where marijuana, marijuana products, and marijuana
7 paraphernalia are possessed, sold, or deposited in a manner that is not in conflict with this chapter or
8 the regulations pursuant thereto; and

9 (vii) Any combination of the acts described within subsections (2)(i) through (2)(vi) of this
10 section, inclusive.

11 (3) Except as provided in this chapter and chapter 28.12 of title 21, an adult use marijuana
12 cultivator, hybrid marijuana cultivator or any person who is twenty-one (21) years of age or older
13 and acting in their capacity as an owner, principal officer, partner, board member, employee, or agent
14 of a licensed cultivator is exempt from arrest, civil or criminal penalty, seizure or forfeiture of assets,
15 discipline by any state or local licensing board, and state prosecution for solely engaging in the
16 following acts:

17 (i) Cultivating, packing, processing, transporting, or manufacturing marijuana, but not
18 marijuana products, in accordance with regulations promulgated by the office of cannabis
19 regulation;

20 (ii) Transporting or possessing marijuana that was produced by the hybrid marijuana cultivator
21 or another marijuana establishment, in accordance with regulations promulgated by the office of
22 cannabis regulation;

23 (iii) Selling, delivering, or transferring marijuana to an adult use marijuana retailer, hybrid
24 marijuana retailer, another hybrid marijuana cultivator, or any other marijuana establishment, in
25 accordance with regulations promulgated by the office of cannabis regulation;

26 (iv) Purchasing marijuana from another hybrid marijuana cultivator;

27 (v) Delivering or transferring marijuana to a marijuana testing facility;

28 (vi) Controlling any premises or vehicle where marijuana is possessed, manufactured, sold, or
29 deposited, in accordance with regulations promulgated by the office of cannabis regulation; and

30 (vii) Any combination of the acts described within subsections (3)(i) through (3)(vi) of this
31 section, inclusive.

32 (4) Except as provided in this chapter and chapter 28.12 of title 21, a cannabis testing facility
33 or any person who is twenty-one (21) years of age or older and acting in their capacity as an owner,
34 principal officer, owner, partner, board member, employee, or agent of a licensed cannabis testing

1 facility shall not be subject to state prosecution; search, except by the department of business regulation
2 or department of health pursuant to § 21-28.12-8; seizure; or penalty in any manner or be denied any
3 right or privilege, including, but not limited to, civil penalty or disciplinary action by a court or business
4 licensing board or entity solely engaging in for the following acts:

5 (i) Acquiring, transporting, storing, or possessing marijuana or marijuana products, in
6 accordance with regulations promulgated by the office of cannabis regulation;

7 (ii) Returning marijuana and marijuana products to marijuana cultivation facilities, marijuana
8 retailers, other marijuana establishment licensees and industrial hemp license holders, in accordance
9 with regulations promulgated by the office of cannabis regulation;

10 (iii) Receiving compensation for analytical testing, including but not limited to testing for
11 contaminants and potency; and

12 (iv) Any combination of the acts described within subsections (4)(i) through (4)(iii) of this
13 section, inclusive.

14 (5) The acts listed in subsections (1) through (4) of this section, when undertaken in
15 compliance with the provisions of this chapter and regulations promulgated hereunder, are lawful
16 under Rhode Island law.

17 (6) Except as provided in this chapter and chapter 28.12 of title 21, a marijuana establishment
18 licensee or any person who is twenty-one (21) years of age or older and acting in their capacity as an
19 owner, principal officer, partner, board member, employee, or agent of licensed a marijuana
20 establishment created by the office of cannabis regulation is exempt from arrest, civil or criminal
21 penalty, seizure or forfeiture of assets, discipline by any state or local licensing board, and state
22 prosecution solely for possessing, transferring, dispensing, or delivering marijuana in accordance
23 with the corresponding marijuana establishment license regulations promulgated by the office of
24 cannabis regulation, or otherwise engaging in activities permitted under the specific marijuana
25 establishment license it holds as issued by the office of cannabis regulation and the regulations
26 promulgated by the office of cannabis regulation.

27 (7) Except for the exemptions set forth in subsection (1) of this section which shall be
28 effective from and after April 1, 2023, the exemptions set forth in subsections (2), (3), (4), (5) and
29 (6) of this section shall be effective as to a marijuana establishment licensee from and after the date
30 of issuance of a license by the office of cannabis regulation.

31 **21-28.11-5. Authorized activities; paraphernalia.**

32 (a) Any person who is twenty-one (21) years of age or older is authorized to manufacture,
33 produce, use, obtain, purchase, transport, or possess, actually or constructively, marijuana
34 paraphernalia in accordance with all applicable laws.

1 (b) Any person who is twenty-one (21) years of age or older is authorized to distribute or
2 sell marijuana paraphernalia to marijuana establishments or persons who are twenty-one (21) years
3 of age or older in accordance with all applicable laws.

4 **21-28.11-6. Unlawful activities; penalties.**

5 (a) Except as expressly provided in this chapter and chapters 2-26, 28.6 and 21-28.12, no
6 person or entity shall cultivate, grow, manufacture, process, or otherwise produce cannabis,
7 cannabis plants or cannabis products.

8 (b) Any person who cultivates, grows, manufactures, processes, or otherwise produces
9 cannabis, cannabis plants or cannabis products in violation of this chapter and chapters 2-26, 21-
10 28.6, 21-28.12, and/or the regulations promulgated hereunder shall be subject to imposition of an
11 administrative penalty and order by the office of cannabis regulation as follows:

12 (i) for a violation of this section involving one (1) to five (5) cannabis plants, an
13 administrative penalty of \$2,000 per plant and an order requiring forfeiture and/or destruction of
14 said plants;

15 (ii) for a violation of this section involving six (6) to ten (10) cannabis plants, an
16 administrative penalty of \$3,000 per plant and an order requiring forfeiture and/or destruction of
17 said plants;

18 (iii) for a violation of this section involving eleven (11) to twenty (20) cannabis plants, an
19 administrative penalty of \$4,000 per plant and an order requiring forfeiture and/or destruction of
20 said plants;

21 (iv) for a violation of this section involving more than twenty (20) cannabis plants, an
22 administrative penalty of \$5,000 per plant and an order requiring forfeiture and/or destruction of
23 said plants;

24 (v) for any violation of this section involving more than twenty (20) cannabis plants, such
25 person and, in the case of an entity such entity's principal officers and other key persons, shall also
26 be guilty of a felony, and upon conviction shall be punished by imprisonment and a fine as provided
27 in chapter 21-28 of the general laws and the attorney general shall prosecute such criminal
28 violation; and

29 (vi) for any violation of this section involving possession of marijuana material or marijuana
30 products over the legal possession limits of this chapter, there shall be an administrative penalty of \$2,000
31 per ounce of equivalent marijuana material over the legal possession limit and an order requiring
32 forfeiture and/or destruction of said marijuana.

33 **21-28.11-7. Activities not exempt.**

34 The provisions of this chapter do not exempt any person from arrest, civil or criminal penalty,

1 seizure or forfeiture of assets, discipline by any state or local licensing board or authority, and state
2 prosecution for, nor may they establish an affirmative defense based on this chapter to charges arising
3 from, any of the following acts:

4 (1) Driving, operating, or being in actual physical control of a vehicle or a vessel under power
5 or sail while impaired by marijuana or marijuana products;

6 (2) Possessing marijuana or marijuana products if the person is incarcerated;

7 (3) Possessing marijuana or marijuana products in any local detention facility, county jail,
8 state prison, reformatory, or other correctional facility, including, without limitation, any facility for the
9 detention of juvenile offenders; or

10 (4) Manufacturing or processing of marijuana products with the use of prohibited solvents,
11 in violation of § 21-28.11-13.

12 **21-28.11-8. Marijuana use prohibitions.**

13 (a) No person shall smoke, vaporize or otherwise consume or use cannabis in a public
14 place. A person who violates this section shall be subject to imposition of any applicable penalty
15 or fine established pursuant to local ordinance by the municipality where the public consumption
16 or use occurred.

17 (b) No person shall smoke or vaporize cannabis in, on or about the premises of any housing
18 that is subject to regulation or otherwise within the purview of chapters 45-25, 45-26, 45-53 or 45-
19 60 of the general laws and any regulations promulgated thereunder. A person who smokes or
20 vaporizes cannabis in, on or about such housing premises shall be subject to imposition of any
21 applicable penalty established pursuant to local ordinance, access prohibition or restriction, eviction
22 or other action that may lawfully be taken by the owner and/or applicable authority with respect to
23 said housing.

24 (c) No person shall smoke or vaporize cannabis in, on or about the premises of any multi-
25 unit housing complex or building without the written permission of the owner of such property
26 and/or any applicable governing body of the housing complex or building. A person who smokes
27 or vaporizes cannabis in, on or about any multi-unit housing complex or building premises without
28 such written permission shall be subject to imposition of any applicable penalty established
29 pursuant to local ordinance, access prohibition or restriction, eviction or other action that may
30 lawfully be taken by the owner and/or any applicable authority with respect to such multi- unit
31 housing complex or building.

32 (d) No person or entity shall permit smoking, vaporizing or other consumption or use, sale,
33 distribution or other transfer or any proposed sale, distribution or transfer, of cannabis or cannabis
34 products in, on or about the premises of any place of business, establishment, or club, whether

1 public or private, and whether operated for-profit or nonprofit, or any commercial property or other
2 premises as further defined through regulations promulgated by the office of cannabis regulation,
3 unless a cannabis social use license or temporary cannabis social use permit has been issued by the
4 office of cannabis regulation with respect to such business, establishment, club or commercial
5 property premises in accordance with regulations promulgated by the office of cannabis regulation.
6 Any person or entity who violates this section shall be subject to imposition of administrative fine
7 and/or other penalty as prescribed by the office of cannabis regulation in such regulations.

8 **21-28.11-9. Places of employment.**

9 (a) Nothing in this chapter shall be construed to require an employer to accommodate the
10 use or possession of marijuana, or being under the influence of marijuana, in any workplace.

11 (b) An employer shall be entitled to implement policies prohibiting the use or possession
12 of marijuana in the workplace and/or working under the influence of marijuana, provided such
13 policies are in writing and uniformly applied to all employees and an employee is given prior
14 written notice of such policies by the employer.

15 (c) The provisions of this chapter shall not permit any person to undertake any task under
16 the influence of marijuana when doing so would constitute negligence or professional malpractice,
17 jeopardize workplace safety, or to operate, navigate or be in actual physical control of any motor
18 vehicle or other transport vehicle, aircraft, motorboat, machinery or equipment, or firearms under
19 the influence of marijuana.

20 (d) Notwithstanding any other section of the general laws, upon specific request of a person
21 who is a qualifying medical marijuana patient cardholder under chapter 28.6 of title 21, the
22 department of health may verify the requesting cardholder's status as a valid patient cardholder to
23 the qualifying patient cardholder's employer, in order to ensure compliance with patient protections
24 of § 21-28.6-4(e).

25 (e) Notwithstanding any other section of the general laws, an employer may take
26 disciplinary action against an employee, including termination of employment, if the results of a
27 drug test administered in accordance with section § 28-6.5-1 of the general laws demonstrates that
28 the employee was under the influence of or impaired by marijuana while in the workplace or during
29 the performance of work. For purposes of this subsection (e), a drug test that yields a positive result
30 for cannabis metabolites shall not be construed as proof that an employee is under the influence of
31 or impaired by marijuana unless the test yields a positive result for active THC, delta-9-
32 tetrahydrocannabinol, delta-8-tetrahydrocannabinol, or any other active cannabinoid found in
33 marijuana which causes intoxication and/or impairment.

34 **21-28.11-10. Private property.**

1 (a) Except as provided in this section, the provisions of this chapter do not require any person,
2 corporation, or any other entity that occupies, owns, or controls a property to allow the consumption, or
3 transfer of marijuana on or in that property.

4 (b) Except as provided in this section, in the case of the rental of a residential dwelling unit
5 governed by chapter 18 of title 34, a landlord may not prohibit the consumption of cannabis by non-
6 smoked or non-vaporized means, or the transfer without compensation of cannabis by the tenant as
7 defined in § 34-18-11, provided the tenant is in compliance with the possession and transfer limits
8 and other requirements set forth in § 21-28.11-4(1)(i)-(vi), and provided any such consumption or
9 transfer by the tenant is done within the tenant's dwelling unit and is not visible from outside of the
10 individual residential dwelling unit. A landlord may prohibit the consumption, display, and transfer of
11 cannabis by a roomer as defined in § 34-18-11 and by any other person who is not a tenant.

12 **21-28.11-12. Unlawful distribution to minors; penalties.**

13 (a) Except as expressly provided in chapter 28.6 of title 21 of the general laws, no person
14 or entity shall sell, deliver or otherwise transfer to any person who is under twenty-one (21) years
15 of age marijuana, marijuana plants or marijuana products.

16 (b) Any person or entity who sells, delivers or otherwise transfers marijuana, marijuana
17 plants or marijuana products to any person who is under twenty-one (21) years of age violation of
18 this chapter and chapter 28.12 of title 21 and/or the regulations promulgated hereunder shall be
19 subject to imposition of an administrative penalty by the office of cannabis regulation in the amount
20 of \$10,000 per violation.

21 (c) As to any violation of this section, such person, and in the case of an entity such entity's
22 principal officers and other key persons, shall also be guilty of a felony, and upon conviction shall
23 be punished by imprisonment and a fine as provided in chapter 28 of title 21 of the general laws
24 and the attorney general shall prosecute such criminal violation.

25 **21-28.11-13. Unlawful marijuana extraction, penalties.**

26 (a) No person, other than a licensee who is authorized to process marijuana pursuant to a
27 license under chapter 28.12 of title 21 and who is in compliance with this chapter, chapter 28.12 and
28 accompanying regulations or an agent of such licensee acting in that capacity, may extract compounds
29 from marijuana using solvents other than water, glycerin, propylene glycol, vegetable oil, or food grade
30 ethanol (ethyl alcohol). No person may extract compounds from marijuana using ethanol in the
31 presence or vicinity of open flame.

32 (b) A person who violates this section shall be subject to imposition of an administrative
33 penalty by the office of cannabis regulation of up to five thousand dollars (\$5,000) per violation.

34 (c) A person who violates this section shall also be guilty of a felony punishable by imprisonment

1 and a fine in accordance with chapter 28 of title 21 of the general laws and the attorney general shall
2 prosecute such criminal violation.

3 **21-28.11-14. Medical marijuana program parity.**

4 (a) No later than April 1, 2024, the department of business regulation shall, in collaboration
5 with the department of health and the office of management and budget, conduct and deliver to the
6 Governor, the Speaker of the House of Representatives, and the President of the Senate a study
7 relating to the impact of the implementation of adult use cannabis in Rhode Island on the existing
8 medical marijuana program (MMP) established pursuant to chapter 28.6 of title 21. This study shall
9 examine and make recommendations relating to, without limitation, the following:

10 (b) The extent to which the introduction of adult use cannabis has diminished or eliminated
11 the availability of certain medical marijuana products or product types;

12 (c) The extent to which patient cardholders in Rhode Island have experienced new or
13 greater obstacles to obtaining medical marijuana, including on the basis of price, quantity, product
14 type, or geographic location;

15 (d) The extent to which the number of caregiver registrations and/or the number of plant
16 tag certificates issued by the office of cannabis regulation increases or decreases;

17 (e) The extent to which the introduction of the new adult use cannabis tax and license fee
18 structure requires a realignment of the existing medical marijuana tax and license fee structure; and

19 (f) Any recommendations delivered to the Governor pursuant to this study shall be
20 considered by the Governor, the department, and the office of management and budget in the
21 development of the act proposing appropriations for the fiscal year beginning July 1, 2025.

22 CHAPTER 28.12

23 MARIJUANA REGULATION, CONTROL, AND TAXATION ACT

24 **21-28.12-1. Short title.**

25 This chapter shall be known and may be cited as the "Marijuana Regulation, Control, and
26 Taxation Act."

27 **21-28.12-2. Definitions.**

28 For purposes of this chapter:

29 (1) "Adult use marijuana cultivator" means an entity that holds a license to cultivate
30 marijuana pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by
31 the office of cannabis regulation and includes a hybrid marijuana cultivator.

32 (2) "Adult use marijuana retailer" means an entity that holds a license to sell marijuana at
33 retail pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by the
34 office of cannabis regulation and includes a hybrid marijuana retailer.

1 (3) "Cannabis" means all parts of the plant of the genus marijuana, also known as marijuana
2 sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and
3 every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin
4 regardless of cannabinoid content or cannabinoid potency including "marijuana", and "industrial
5 hemp" or "industrial hemp products" which satisfy the requirements of chapter 26 of title 2 of the
6 general laws and the regulations promulgated thereunder.

7 (4) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
8 concentrated, or any other form, found to be equal to a portion of dried marijuana, as defined by
9 regulations promulgated by the office of cannabis regulation.

10 (5) "Hybrid marijuana cultivator" means an entity that holds a medical marijuana cultivator
11 license pursuant to chapter 28.6 of title 21 that also holds a license to cultivate marijuana pursuant
12 to chapter 28.12 of title 21 and in accordance with regulations promulgated by the office of cannabis
13 regulation.

14 (6) "Hybrid marijuana retailer" means an entity that holds a medical marijuana compassion
15 center license pursuant to chapter 28.6 of title 21 that also holds a license to sell marijuana at retail
16 pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by the office
17 of cannabis regulation.

18 (7) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not; the
19 seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture,
20 salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not include the
21 mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the
22 plant, any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks,
23 (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the plant which is
24 incapable of germination. Marijuana shall not include "industrial hemp or" industrial hemp
25 products" which satisfy the requirements of chapter 2-26 of the general laws and the regulations
26 promulgated thereunder.

27 (8) "Marijuana establishment" and "marijuana establishment licensee" means any person or
28 entity licensed by the office of cannabis regulation under this chapter or chapter 21-28.6 whose
29 license permits it to engage in or conduct activities in connection with the adult use marijuana
30 industry or medical marijuana program and includes but is not limited to a licensed adult use
31 marijuana retailer, marijuana testing facility, adult use marijuana cultivator, hybrid marijuana retailer,
32 hybrid marijuana cultivator, compassion center, medical marijuana cultivator or any other license issued by
33 the office of cannabis regulation under this chapter or chapter 28.6 of title 21 and/or as specified and defined
34 in regulations promulgated by the office of cannabis regulation.

1 (9) "Marijuana paraphernalia" means equipment, products, and materials which are used
2 or intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing,
3 compounding, converting, producing, processing, preparing, testing, analyzing, packaging,
4 repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or otherwise
5 introducing marijuana into the human body.

6 (10) "Marijuana products" means any form of marijuana, including concentrated marijuana
7 and products that are comprised of marijuana and other ingredients that are intended for use or
8 consumption, such as, but not limited to, extracts, infusions, edible products, ointments, and tinctures,
9 as further defined in regulations promulgated by the office of cannabis regulation.

10 (11) "Marijuana testing facility" or "cannabis testing laboratory" means a third-party analytical
11 testing laboratory licensed by the departments of health and office of cannabis regulation to collect
12 and test samples of cannabis pursuant to regulations promulgated by the departments.

13 (12) "Smoke" or "smoking" means heating to at least the point of combustion, causing plant
14 material to burn, inhaling, exhaling, burning, or carrying any lighted or heated cigarette, pipe, weed, plant,
15 other marijuana product in any manner or in any form intended for inhalation in any manner or form and
16 includes but is not limited to the use of electronic cigarettes, electronic pipes, electronic marijuana delivery
17 system products, or other similar products that rely on vaporization or aerosolization.

18 (13) "State prosecution" means prosecution initiated or maintained by the state of Rhode Island
19 or an agency or political subdivision of the state of Rhode Island.

20 (14) "Vaporize" or "vape" means heating below the point of combustion and resulting in a
21 vapor or mist.

22 **21-28.12-3. Office of Cannabis Regulation.**

23 (a) The office of cannabis regulation within the department of business regulation shall
24 oversee the regulation, licensing and control of cannabis, including marijuana, medical marijuana
25 and industrial hemp, and such other matters within the jurisdiction of the department as determined
26 by the director. The head of the office shall serve as the chief of the office of cannabis regulation.
27 The chief shall be the executive and administrative head of the office and shall be responsible for
28 administering and enforcing the laws and regulations relating to cannabis in the state of Rhode
29 Island.

30 (b) Whenever in chapter 26 of title 2, and chapters 28.6, 28.11, and 28.12 of title 21 and
31 chapter 49.1 of title 44 of the general laws the words "department of business regulation" shall
32 appear, the words shall be deemed to mean the office of cannabis regulation within the department
33 of business regulation. Whenever in chapter 26 of title 2, and chapters 28.6, 28.11, and 28.12 of
34 title 21 and chapter 49.1 of title 44 of the general laws the words "office of cannabis regulation"

1 shall appear, the words shall be deemed to mean the office of cannabis regulation within the
2 department of business regulation.

3 (c) The office of cannabis regulation shall coordinate the executive branch response to the
4 regulation and control of cannabis including, but not limited to, strategic planning, coordination
5 and approval of regulations, educational content, planning and implementation, community
6 engagement, budget coordination, data collection and analysis functions, and any other duties
7 deemed necessary and appropriate by the office of cannabis regulation to carry out the provisions
8 of this chapter.

9 (d) In furtherance of coordinating the oversight of cannabis, including marijuana, medical
10 marijuana and industrial hemp, across state agencies, the office of cannabis regulation shall:

11 (1) Coordinate with the staff designated by the respective directors of each state agency
12 regarding the agency's promulgation and implementation of rules and regulations regarding adult use of
13 marijuana, medical marijuana and industrial hemp with the objective of producing positive economic,
14 public safety, and health outcomes for the state and its citizens;

15 (2) Offer guidance to and communicate with municipal officials regarding the implementation
16 and enforcement of this chapter and chapters 28.6 and 28.11;

17 (3) Align all policy objectives and the promulgation of rules and regulations across state
18 agencies to increase efficiency and eliminate unintended negative impacts on the state and its citizens;

19 (4) Communicate with regulatory officials from other states that allow marijuana for adult use,
20 medical marijuana use and industrial hemp production to learn from the experiences of those states;

21 (5) Anticipate, prioritize, and respond to emerging issues with the regulation of marijuana;

22 (6) Coordinate the collection of data on adult use of marijuana and medical marijuana use from
23 state agencies and report to the governor and legislature no later than April 1, 2023, and every year
24 thereafter. The report shall include, but is not limited to:

25 (i) The number and geographic distribution of all licensed marijuana establishments;

26 (ii) Data on the total amount of sales of marijuana and the total amount of revenue raised from
27 taxes and fees levied on marijuana;

28 (iii) Projected estimate of the total marijuana revenue that will be raised in the proceeding year;

29 (iv) The distribution of funds to programs and agencies from revenue raised from fees and
30 taxes levied on marijuana; and

31 (v) Any findings from the departments of health and public safety related to changes in
32 marijuana use rates and the impact, if any, of marijuana use on public health and public safety.

33 **21-28.12-4. Governor's Cannabis Reinvestment Task Force.**

34 (a) There is hereby created the Governor's Cannabis Reinvestment Task Force, members

1 of which shall be appointed by and serve at the pleasure of the Governor. There shall be fifteen
2 (15) members, with eight (8) members constituting a quorum. The members shall serve for an initial
3 term of one (1) year and may be reappointed for an additional period of one (1) year. The members
4 shall serve on the task force without compensation.

5 (b) The task force shall be co-chaired by the Director of the Department of Business
6 Regulation or her or his designee and the Secretary of the Executive Office of Health and Human
7 Services or her or his designee and shall also include the Directors of the Departments of Health,
8 Labor and Training, Public Safety, and the President of the Rhode Island Commerce Corporation,
9 or their designees.

10 (c) The task force shall further consist of, but not be limited to, representatives of municipal
11 government, faith-based organizations, Rhode Island-based community development corporations
12 (CDCs), industry associations, small business owners, and at least two (2) members of the Rhode
13 Island cannabis industry, including at least one (1) representative of a licensed compassion center
14 and one (1) representative of a licensed cultivator. No later than July 1, 2023, the task force shall
15 present recommendations to the office of cannabis regulation and the office of management and
16 budget specifically relating to the long-term reinvestment of adult use cannabis revenues in existing
17 or new programs or initiatives which shall include, but not be limited to: job training, small business
18 access to capital, affordable housing, health equity, and neighborhood and community
19 development. These recommendations shall contemplate an overall proportion of cannabis
20 revenues to be reinvested in these targeted areas, and shall be made with a specific focus on racial
21 equity, worker and family economic empowerment, the disproportionate impact of cannabis-related
22 law enforcement policies and procedures, and structural barriers to participation in Rhode Island's
23 cannabis industry.

24 (d) All meetings of the task force shall be open meetings and all records of the task force
25 shall be public records. The office of cannabis regulation, the office of management and budget,
26 and the executive office of health and human services shall provide administrative support to the
27 task force as needed.

28 **21-28.12-5. Licensed retailers.**

29 (a) The department of business regulations shall accept applications for adult use marijuana
30 retailer licenses on an annual basis according to the following methodology:

31 (1) During the 12-month period beginning July 1, 2022, the department of business
32 regulation shall establish and open a first application period, the duration of which shall be
33 determined by the department, during which the department will accept applications for twenty-
34 five (25) adult use marijuana retailer licenses;

1 (2) During the 12-month period beginning July 1, 2023, the department of business
2 regulation shall establish and open a second application period, the duration of which shall be
3 determined by the department, during which the department will accept applications for an
4 additional twenty-five (25) adult use marijuana retailer licenses;

5 (3) During the 12-month period beginning July 1, 2024, the department of business
6 regulation shall establish and open a third application period, the duration of which shall be
7 determined by the department, during which the department will accept applications for an
8 additional twenty-five (25) adult use marijuana retail licenses; such that by June 30, 2025 the
9 department will have awarded or issued preliminary approval for no more than seventy-five (75)
10 adult use retail licenses;

11 (b) Beginning July 1, 2025 and for the years that follow, the department may make
12 additional retail adult use cannabis licenses available based on market factors including, but not
13 limited to, the findings of a market demand study conducted pursuant to § 21-28.12-18, and taking
14 into consideration the impact of said additional licenses on public health and safety.

15 (c) Excluding applications for hybrid marijuana retailer licenses as described in subsection
16 (f), to the extent that the total number of qualifying applications for retail licenses received during
17 any application period exceeds the number of licenses made available by the department pursuant
18 to this section, the department shall award the licenses to qualifying applicants selected by way of
19 a randomized lottery in accordance with rules and regulations promulgated by the department,
20 provided in no case shall the number of licenses awarded to qualifying minority business
21 enterprises, as defined in chapter 14.1 of title 37 and regulations promulgated thereunder, be fewer
22 than five (5) or twenty percent (20%) of the total number of licenses awarded on an annual basis,
23 whichever is greater.

24 (d) By January 1, 2024, the department of business regulation shall conduct a disparity
25 study examining the extent to which minority-owned businesses have been able to participate in
26 the adult use cannabis market in Rhode Island, and may recommend revisions to the ratio set forth
27 in subsection (c) as needed based on the findings of this study.

28 (e) The departments of administration and business regulation are hereby authorized to
29 jointly promulgate additional rules and regulations as needed to clarify and implement the process
30 of certification as a minority business enterprise for the purposes of this section.

31 (f) In addition to the adult use marijuana retailer licenses issued pursuant to subsection (a),
32 any person or entity to whom the department of business regulation has issued a compassion center
33 license or conditional compassion center application approval as of the date the department's
34 opening of the application period, and who is in good standing with the department pursuant to

1 chapter 28.6 of title 21 may apply for and shall be issued a hybrid marijuana retailer license during
2 the first application period, provided that any such applicant is in compliance with all applicable
3 regulations and demonstrates to the satisfaction of the department in accordance with regulations
4 promulgated hereunder that the applicant's proposed adult use licensure will have no adverse effect
5 on the medical marijuana program market and patient need. The department may deny an
6 application that fails to make this demonstration and/or may impose restrictions and conditions to
7 licensure as it deems appropriate to ensure no adverse effect on the medical marijuana program
8 market and patient needs. A hybrid marijuana retailer licensee must maintain its compassion center
9 license in good standing as a condition to licensure for its hybrid marijuana retailer license.

10 (g) An adult use marijuana retailer licensed under this section may acquire marijuana and
11 marijuana products from licensed hybrid marijuana cultivators and other licensed marijuana
12 establishments in accordance with regulations promulgated by department of business regulation,
13 and possess, deliver, transfer, transport, supply and sell at retail marijuana, marijuana products and
14 marijuana paraphernalia to persons who are twenty-one (21) years of age or older in accordance
15 with the provisions of chapters 28.11 and 28.12 of title 21 and the regulations promulgated by the
16 department of business regulation. A licensed adult use marijuana retailer shall not be a primary
17 caregiver cardholder and shall not hold a cooperative cultivation license. A licensed adult use
18 marijuana retailer shall not hold an adult use marijuana cultivator license and shall not grow or
19 cultivate marijuana except to the extent the adult use marijuana retailer is licensed as a hybrid
20 marijuana retailer issued to a compassion center that has been approved for cultivation of marijuana
21 pursuant to such compassion center license. The department of business regulation may restrict the
22 number, types, and classes of adult use marijuana licenses an applicant may be issued through
23 regulations promulgated by the department.

24 (h) The department of business regulation may promulgate regulations governing the
25 manner in which it shall consider applications for the licensing of adult use marijuana retailers and
26 registration of all of its owners, officers, directors, managers, members, partners, employees, and
27 agents, including but not limited to regulations governing:

28 (1) The form and content of licensing and renewal applications, including, without
29 limitation, required submission materials upon which the department shall determine suitability of
30 an applicant;

31 (2) Minimum oversight requirements for licensed adult use marijuana retailers;

32 (3) Minimum record-keeping requirements for adult use marijuana retailers;

33 (4) Minimum insurance requirements for adult use marijuana retailers;

34 (5) Minimum security requirements for adult use marijuana retailers;

1 (6) Procedures for suspending, revoking, or terminating the license of adult use marijuana
2 retailers that violate any provisions of this chapter or the regulations promulgated hereunder; and

3 (7) Applicable application and license fees.

4 (i) The license issued by the department of business regulation to an adult use marijuana
5 retailer and the registration issued to each of its owners, officers, directors, managers, members,
6 partners, employees and agents shall expire one (1) year after it was issued and the licensee may
7 apply for renewal with the department in accordance with its regulations pertaining to licensed
8 adult use marijuana retailers.

9 (j) The department of business regulation may promulgate regulations that govern how
10 much marijuana a licensed adult use marijuana retailer may possess. All marijuana acquired,
11 possessed and sold by a licensed adult use marijuana retailer must be catalogued in a seed to sale
12 inventory tracking system in accordance with regulations promulgated by the department of
13 business regulation.

14 (k) Adult use marijuana retailers shall only sell marijuana, marijuana products and
15 marijuana paraphernalia at retail to persons twenty-one (21) years of age or older in accordance
16 with chapters 28.11 and 28.12 of title 21 and the regulations promulgated by the department of
17 business regulation thereunder. Adult use marijuana retailers shall not sell any other products
18 except as otherwise permitted in regulations promulgated by the department of business regulation.
19 The department may suspend and/or revoke the adult use marijuana retailer's license and the
20 registration of any owner, officer, director, manager, member, partner, employee, or agent of such
21 adult use marijuana retailer and/or impose an administrative penalty in accordance with such
22 regulations promulgated by the department for any violation of chapters 28.11 or 28.12 of title 21
23 or the regulations promulgated thereunder. In addition, any violation of chapters 28.11 or 28.12 of
24 title 21 or the regulations promulgated pursuant to this subsection and subsection (h) shall cause a
25 licensed adult use marijuana retailer to lose the protections described in § 21-28.11-4(2) and may
26 subject the licensed adult use marijuana retailer and its owners, officers, directors, managers,
27 members, partners, employees, and agents to arrest and prosecution under Chapter 28 of title 21
28 (the Rhode Island Controlled Substances Act).

29 (l) Adult use marijuana retailers shall be subject to any regulations promulgated by the
30 department of health or department of business regulation that specify how marijuana must be
31 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants;

32 (m) Adult use marijuana retailers shall be subject to any product labeling requirements
33 promulgated by the department of business regulation and the department of health;

34 (n) Adult use marijuana retailers shall only be licensed to possess and sell marijuana,

1 marijuana products and marijuana paraphernalia at the location(s) set forth in its adult use
2 marijuana retailer license and registered with the department of business regulation and the
3 department of public safety. The department of business regulation may promulgate regulations
4 governing the department's approval of locations where adult use marijuana retailers are allowed
5 to operate. Adult use marijuana retailers must abide by all local ordinances, including zoning
6 ordinances.

7 (o) Adult use marijuana retailers shall be subject to inspection and audit by the department
8 of business regulation or the department of health for the purposes of enforcing regulations
9 promulgated pursuant to this chapter and all applicable Rhode Island general laws.

10 (p) An adult use marijuana retailer applicant, unless they are an employee with no equity,
11 ownership, financial interest, or managing control, shall apply to the bureau of criminal
12 identification of the department of attorney general, department of public safety division of state
13 police, or local police department for a national criminal records check that shall include
14 fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
15 disqualifying information as defined in subdivision (p)(2), and in accordance with the rules
16 promulgated by the director of the department of business regulation, the bureau of criminal
17 identification of the department of attorney general, department of public safety division of state
18 police, or the local police department shall inform the applicant, in writing, of the nature of the
19 disqualifying information; and, without disclosing the nature of the disqualifying information, shall
20 notify the department of business regulation, in writing, that disqualifying information has been
21 discovered.

22 (1) In those situations in which no disqualifying information has been found, the bureau of
23 criminal identification of the department of attorney general, department of public safety division
24 of state police, or the local police department shall inform the applicant and the department of
25 business regulation, in writing, of this fact.

26 (2) Information produced by a national criminal records check pertaining to a conviction
27 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
28 sentence of probation shall result in a letter to the applicant and the department of business
29 regulation disqualifying the applicant.

30 (3) The adult use marijuana retailer applicant shall be responsible for any expense
31 associated with the national criminal records check.

32 (q) Persons issued adult use marijuana retailer licenses or registration cards shall be subject
33 to the following:

34 (1) A licensed adult use marijuana retailer cardholder shall notify and request approval

1 from the department of business regulation of any change in his or her name or address within ten
2 (10) days of such change. An adult use marijuana retailer cardholder who fails to notify the
3 department of business regulation of any of these changes is responsible for a civil infraction,
4 punishable by a fine of no more than one hundred fifty dollars (\$150).

5 (2) When a licensed adult use marijuana retailer cardholder notifies the department of
6 business regulation of any changes listed in this subsection, the department of business regulation
7 shall issue the adult use marijuana retailer cardholder a new license or registry identification card
8 after the department approves the changes and receives from the licensee payment of a fee specified
9 in regulation.

10 (3) If a licensed adult use marijuana retailer cardholder loses his or her registry
11 identification card, he or she shall notify the department of business regulation and submit a fee
12 specified in regulation within ten (10) days of losing the registry identification card. The department
13 of business regulation shall issue a new registry identification card with a new random
14 identification number.

15 (4) A licensed adult use marijuana retailer cardholder shall notify the department of
16 business regulation of any disqualifying criminal convictions as defined in subsection (p)(2). The
17 department of business regulation may choose to suspend and/or revoke his or her card after such
18 notification.

19 (5) If a licensed adult use marijuana retailer or adult use marijuana retailer cardholder
20 violates any provision of this chapter or regulations promulgated hereunder as determined by the
21 department of business regulation, his or her card or the issued license may be suspended and/or
22 revoked.

23 (r) No person or entity shall engage in activities described in this § 21-28.12-5 without an
24 adult use marijuana retailer license issued by the department of business regulation in accordance
25 with chapters 28.11 and 28.12 of title 21 and regulations promulgated thereunder by the department
26 of business regulation.

27 **21-28.12-6 Licensed cultivators.**

28 (a) On or after July 1, 2022, the department of business regulation shall establish and open
29 an application period during which it will accept applications for adult use marijuana cultivator
30 licenses. The duration of the application period, the number and class of adult use marijuana
31 licenses and the method of selection shall be determined in accordance with regulations
32 promulgated by the department of business regulation taking into consideration market demand
33 and the impact of said additional licenses on public health and safety.

34 (b) A medical marijuana cultivator licensed and in good standing with the department of

1 business regulation as of the opening of the application period may apply for and shall be issued a
2 hybrid marijuana cultivator license under this section, provided that a medical marijuana cultivator
3 licensee who applies for a hybrid marijuana cultivator license will be required to demonstrate to
4 the satisfaction of the department of business regulation in accordance with regulations
5 promulgated hereunder that the applicant's proposed adult use licensure will have no adverse effect
6 on the medical marijuana program market and patient need. The department of business regulation
7 may deny an application that fails to make this demonstration and/or may impose restrictions and
8 conditions to licensure as it deems appropriate to ensure no adverse effect on the medical marijuana
9 program market and patient needs. A licensed hybrid marijuana cultivator must maintain its
10 medical marijuana cultivator license in good standing as a condition to licensure for its hybrid
11 marijuana cultivator license.

12 (c) An adult use marijuana cultivator licensed pursuant to this section shall be authorized
13 to acquire, possess, cultivate, package, process, manufacture and transfer marijuana and marijuana
14 products, in accordance with chapters 28.11 and 28.12 of title 21 and regulations promulgated by
15 the department of business regulation, and may sell, deliver, or transfer marijuana and marijuana
16 products to adult use marijuana retailers, a cannabis testing laboratory, or another marijuana
17 establishment licensee in accordance with regulations promulgated by the department of business
18 regulation. A licensed cultivator shall not be a primary caregiver cardholder and shall not hold a
19 cooperative cultivation license. A licensed adult use marijuana cultivator shall not sell, deliver, or
20 transfer marijuana or marijuana products to a compassion center licensed under chapter 28.6 of title
21 21 except to the extent that the adult use marijuana cultivator is licensed as a hybrid cultivator
22 issued to a medical marijuana cultivator licensed and in good standing with the department of
23 business regulation and in accordance with the applicable regulations. A licensed adult use
24 marijuana cultivator shall not sell marijuana or marijuana products at retail or otherwise to the
25 general public. The department of business regulation may restrict the number, types, and classes
26 of adult use marijuana establishment licenses an applicant may be issued through regulations
27 promulgated by the department.

28 (d) The department of business regulation may promulgate regulations governing the
29 manner in which it shall consider applications for the licensing of adult use marijuana cultivators,
30 including but not limited to regulations governing:

- 31 (1) The form and content of licensing and renewal applications;
32 (2) Minimum oversight requirements for licensed adult use marijuana cultivators;
33 (3) Minimum record-keeping requirements for adult use marijuana cultivators;
34 (4) Minimum insurance requirements for adult use marijuana cultivators;

1 (5) Minimum security requirements for adult use marijuana cultivators;

2 (6) Procedures for suspending, revoking, or terminating the license of adult use marijuana
3 cultivators that violate any provisions of this chapter or the regulations promulgated hereunder and

4 (7) Applicable application and license fees.

5 (e) An adult use marijuana cultivator license issued by the department of business
6 regulation shall expire one (1) years after it was issued and the licensed hybrid marijuana cultivator
7 may apply for renewal with the department in accordance with its regulations pertaining to licensed
8 adult use marijuana cultivators.

9 (f) The department of business regulation may promulgate regulations that govern how
10 much marijuana a licensed adult use marijuana cultivator may cultivate and possess. All marijuana
11 possessed by a licensed adult use marijuana cultivator must be catalogued in a seed to sale inventory
12 tracking system in accordance with regulations promulgated by the department of business
13 regulation.

14 (g) Adult use marijuana cultivators shall only sell marijuana and marijuana products to
15 adult use marijuana retailers or another licensed marijuana establishment licensee in accordance
16 with regulations promulgated by the department of business regulation. The department may
17 suspend and/or revoke the adult use marijuana cultivator’s license and the registration of any owner,
18 officer, director, manager, member, partner, employee, or agent of such adult use marijuana
19 cultivator and/or impose an administrative penalty in accordance with such regulations
20 promulgated by the department for any violation of this section or the regulations. In addition, any
21 violation of this section or the regulations promulgated pursuant to this subsection and subsection
22 (f) shall cause a licensed adult use marijuana cultivator to lose the protections described in § 21-
23 28.11-4(3) and may subject the licensed adult use marijuana cultivator and its owners, officers,
24 directors, managers, members, partners, employees, or agents to arrest and prosecution under
25 chapter 28 of title 21 (the Rhode Island Controlled Substances Act).

26 (h) Adult use marijuana cultivators shall be subject to any regulations promulgated by the
27 department of health or department of business regulation for marijuana testing, including, but not
28 limited to, potency, cannabinoid profile, and contaminants;

29 (i) Adult use marijuana cultivators shall be subject to any product packaging and labeling
30 requirements promulgated by the department of business regulation and the department of health;

31 (j) Adult use marijuana cultivators shall only be licensed to cultivate and process marijuana
32 at a single location, registered with the department of business regulation and the department of
33 public safety provided that a hybrid marijuana cultivator licensee whose hybrid license and medical
34 marijuana cultivator license under chapter 28.6 of title 21 is in good standing may cultivate and

1 process adult use marijuana at an additional location that is separate from its original licensed
2 premises if approved in accordance with regulations adopted by the department of business
3 regulation. Adult use marijuana cultivators must abide by all local ordinances, including zoning
4 ordinances.

5 (k) Adult use marijuana cultivators shall be subject to reasonable inspection by the
6 department of business regulation and the department of health for the purposes of enforcing
7 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

8 (l) An adult use marijuana cultivator applicant, unless they are an employee with no equity,
9 ownership, financial interest, or managing control, shall apply to the bureau of criminal
10 identification of the department of attorney general, department of public safety division of state
11 police, or local police department for a national criminal records check that shall include
12 fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
13 disqualifying information as defined in subdivision (1)(2), and in accordance with the rules
14 promulgated by the director of the department of business regulation, the bureau of criminal
15 identification of the department of attorney general, department of public safety division of state
16 police, or the local police department shall inform the applicant, in writing, of the nature of the
17 disqualifying information; and, without disclosing the nature of the disqualifying information, shall
18 notify the department of business regulation, in writing, that disqualifying information has been
19 discovered.

20 (1) Where no disqualifying information has been found, the bureau of criminal
21 identification of the department of attorney general, department of public safety division of state
22 police, or the local police department shall inform the applicant and the department of business
23 regulation, in writing, of this fact.

24 (2) Information produced by a national criminal records check pertaining to a conviction
25 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
26 sentence of probation shall result in a letter to the applicant and the department of business
27 regulation disqualifying the applicant.

28 (3) An adult use marijuana cultivator applicant shall be responsible for any expense
29 associated with the national criminal records check.

30 (m) Persons issued adult use marijuana cultivator licenses or registration cards shall be
31 subject to the following:

32 (1) A licensed hybrid marijuana cultivator cardholder shall notify and request approval
33 from the department of business regulation of any change in his or her name or address within ten
34 (10) days of such change. An adult use marijuana cultivator cardholder who fails to notify the

1 department of business regulation of any of these changes is responsible for a civil infraction,
2 punishable by a fine of no more than one hundred fifty dollars (\$150).

3 (2) When a licensed adult use marijuana cultivator cardholder notifies the department of
4 business regulation of any changes listed in this subsection, the department of business regulation
5 shall issue the adult use marijuana cultivator cardholder a new license or registry identification card
6 after the department approves the changes and receives from the licensee payment of a fee specified
7 in regulation.

8 (3) If a licensed adult use marijuana cultivator cardholder loses his or her registry
9 identification card, he or she shall notify the department of business regulation and submit a fee
10 specified in regulation within ten (10) days of losing the registry identification card. The
11 department of business regulation shall issue a new registry identification card with a new random
12 identification number.

13 (4) A licensed adult use marijuana cultivator cardholder shall notify the department of
14 business regulation of any disqualifying criminal convictions as defined in subdivision (1)(2). The
15 department of business regulation may choose to suspend and/or revoke his or her card after such
16 notification.

17 (5) If a licensed adult use marijuana cultivator or hybrid marijuana cultivator cardholder
18 violates any provision of this chapter or regulations promulgated hereunder as determined by the
19 department of business regulation, his or her card or the issued license may be suspended and/or
20 revoked.

21 (n) No person or entity shall engage in activities described in this § 21-28.12-6 without an
22 adult use marijuana cultivator license issued by the department of business regulation.

23 21-28.12-7. Other supporting marijuana establishment licenses.

24 (a) The office of cannabis regulation shall have the authority to promulgate regulations to
25 establish and implement additional types and classes of commercial marijuana establishment
26 licenses, including but not limited to, craft cultivators, marijuana processors and licenses for
27 businesses to engage in marijuana, destruction, delivery, disposal, research and development,
28 transportation, social use licenses, or any other commercial activity needed to support licensed
29 hybrid marijuana cultivators, licensed adult use marijuana retailers, and licensed cannabis testing
30 facilities, provided no such license created by the department shall allow for the retail sale of
31 marijuana.

32 (b) The office of cannabis regulation shall promulgate regulations governing the manner
33 in which it shall accept applications and issue licenses for such additional types and classes of
34 marijuana establishment licenses, in accordance with this section provided that any regulations

1 establishing a new license type shall include a mechanism to issue not less than 50% of such license
2 type to minority business enterprises (MBEs), as defined in chapter 14.1 of title 37 and regulations
3 promulgated thereunder, during the first application period, provided that this ratio shall be subject
4 to annual review and revision according to rules and regulations promulgated by the department
5 pursuant to this section and the disparity study conducted pursuant to § 21-28.12-5(d).

6 (c) The office of cannabis regulation shall promulgate regulations governing the manner in
7 which it shall consider applications for the licensing and renewal of each type of additional
8 marijuana establishment license necessary and proper to enforce the provisions of and carry out the
9 duties assigned to it under this chapter and chapter 28.11, including but not limited to regulations
10 governing:

11 (1) The form and content of licensing and renewal applications;

12 (2) Application and licensing fees for marijuana establishment licensees;

13 (3) Procedures for the approval or denial of a license, and procedures for suspension or
14 revocation of the license of any marijuana establishment licensee that violates the provisions of this
15 chapter, chapter 28.11 or the regulations promulgated thereunder in accordance with the provisions
16 of chapter 35 of title 42 of the general laws;

17 (4) Minimum oversight requirements for marijuana establishment licensees;

18 (5) The allowable size, scope and permitted activities of marijuana establishment licensees
19 and facilities and the number and type of licenses that a marijuana establishment licensee may be
20 issued;

21 (6) Minimum record-keeping requirements for marijuana establishment licensees;

22 (7) Minimum security requirements for additional adult use marijuana establishment
23 licensees; and

24 (8) Compliance with municipal zoning restrictions, if any, which comply with § 21-28.12-
25 12 of this chapter.

26 (d) The department of health, in coordination with the office of cannabis regulation, shall
27 have authority to promulgate regulations to create and implement all licenses involving cannabis
28 reference testing requirements including approval, laboratory proficiency programs and proficiency
29 sample providers, quality assurance sample providers, round robin testing and regulations
30 establishing quality control and test standardization, and create and implement additional types and
31 classes of licensed cannabis testing facilities in accordance with regulations promulgated
32 hereunder.

33 (e) The department of health or the office of cannabis regulation, as applicable, shall issue
34 each principal officer, board member, agent, volunteer, and employee of a marijuana establishment

1 license a registry identification card or renewal card after receipt of the person's name, address,
2 date of birth; a fee in an amount established by the department of health or the office of cannabis
3 regulation; and, when the applicant holds an ownership, equity, controlling, or managing stake in
4 the marijuana establishment license as defined in regulations promulgated by the office of cannabis
5 regulation, notification to the department of health or the office of cannabis regulation by the
6 department of public safety division of state police, attorney general's office, or local law
7 enforcement that the registry identification card applicant has not been convicted of a felony drug
8 offense or has not entered a plea of nolo contendere for a felony drug offense and received a
9 sentence of probation. Each card shall specify that the cardholder is a principal officer, board
10 member, agent, volunteer, employee, or other designation required by the departments of marijuana
11 establishment license and shall contain the following:

12 (i) The name, address, and date of birth of card applicant;

13 (ii) The legal name of the marijuana establishment licensee to which the applicant is
14 affiliated;

15 (iii) A random identification number that is unique to the cardholder;

16 (iv) The date of issuance and expiration date of the registry identification card;

17 (v) A photograph, if the department of health or the office of cannabis regulation decides
18 to require one; and

19 (vi) Any other information or card classification that the office of cannabis regulation or
20 department of health requires.

21 (f) Except as provided in subsection (e), neither the department of health nor the office of
22 cannabis regulation shall issue a registry identification card to any card applicant who holds an
23 ownership, equity, controlling, or managing stake in the marijuana establishment license as defined
24 in regulations promulgated by the office of cannabis regulation, who has been convicted of a felony
25 drug offense or has entered a plea of nolo contendere for a felony drug offense and received a
26 sentence of probation or who the department has otherwise deemed unsuitable. If a registry
27 identification card is denied, the applicant will be notified in writing of the purpose for denying the
28 registry identification card.

29 (g)(i) All registry identification card applicants who hold an ownership, equity, controlling,
30 or managing stake in the marijuana establishment license as defined in regulations promulgated by
31 the office of cannabis regulation shall apply to the department of public safety division of state
32 police, the attorney general's office, or local law enforcement for a national criminal identification
33 records check that shall include fingerprints submitted to the federal bureau of investigation. Upon
34 the discovery of a felony drug offense conviction or a plea of nolo contendere for a felony drug

1 offense with a sentence of probation, and in accordance with the rules promulgated by the
2 department of health and the office of cannabis regulation, the department of public safety division
3 of state police, the attorney general's office, or local law enforcement shall inform the applicant, in
4 writing, of the nature of the felony and the department of public safety division of state police shall
5 notify the department of health or the office of cannabis regulation, in writing, without disclosing
6 the nature of the felony, that a felony drug offense conviction or a plea of nolo contendere for a
7 felony drug offense with probation has been found.

8 (ii) In those situations in which no felony drug offense conviction or plea of nolo
9 contendere for a felony drug offense with probation has been found, the department of public safety
10 division of state police, the attorney general's office, or local law enforcement shall inform the
11 applicant and the department of health or the office of cannabis regulation, in writing, of this fact.

12 (iii) All registry identification card applicants shall be responsible for any expense
13 associated with the criminal background check with fingerprints.

14 (h) A registry identification card of a principal officer, board member, agent, volunteer, or
15 employee, or any other designation required by the office of cannabis regulation shall expire one
16 year after its issuance, or upon the termination of the principal officer, board member, agent,
17 volunteer or employee's relationship with the marijuana establishment licensee, or upon the
18 termination or revocation of the affiliated marijuana establishment's license, whichever occurs first.

19 (i) A registration identification card holder shall notify and request approval from the office
20 of cannabis regulation or department of health of any change in his or her name or address within
21 ten (10) days of such change. A cardholder who fails to notify the office of cannabis regulation or
22 health of any of these changes is responsible for a civil infraction, punishable by a fine of no more
23 than one hundred fifty dollars (\$150).

24 (j) When a cardholder notifies the department of health or the office of cannabis regulation
25 of any changes listed in this subsection, the department shall issue the cardholder a new registry
26 identification after receiving the updated information and a ten dollar (\$10.00) fee.

27 (k) If a cardholder loses his or her registry identification card, he or she shall notify the
28 department of health or the office of cannabis regulation and submit a ten dollar (\$10.00) fee within
29 ten (10) days of losing the card and the department shall issue a new card.

30 (l) Registry identification cardholders shall notify the office of cannabis regulation or
31 health of any disqualifying criminal convictions as defined in subdivision (g)(i). The applicable
32 department may choose to suspend and/or revoke his or her registry identification card after such
33 notification.

1 (m) If a registry identification cardholder violates any provision of this chapter or
2 regulations promulgated hereunder as determined by the departments of health and office of
3 cannabis regulation, his or her registry identification card may be suspended and/or revoked.

4 (n) The office of cannabis regulation may limit or prohibit a medical marijuana
5 establishment's operation under an adult use marijuana establishment license if the office of
6 cannabis regulation determines that failure to do so would threaten medical marijuana patients'
7 access to marijuana products needed to treat qualifying conditions.

8 (o) Licensees may hold a medical marijuana establishment license and an adult use
9 marijuana establishment license in accordance with regulations promulgated by the office of
10 cannabis regulation.

11 21-28.12-8. Ineligibility for license.

12 A marijuana establishment may not operate, and a prospective marijuana establishment
13 may not apply for a license, if any of the following are true:

14 (1) The person or entity is applying for a license to operate as a marijuana establishment
15 and the establishment would operate in a location that is within one thousand (1,000) feet of the
16 property line of a preexisting public or private school; or

17 (2) The establishment would be located at a site where the use is not permitted by applicable
18 zoning classification or by special use permit or other zoning approval, or if the proposed location
19 would otherwise violate a municipality's zoning ordinance; or

20 (3) The establishment would be located in a municipality in which the kind of marijuana
21 establishment being proposed is not permitted pursuant to a referendum approved in accordance
22 with § 21-28.12-12. For purpose of illustration but not limitation, an adult use marijuana retailer
23 may not operate in a municipality in which residents have approved by a simple majority
24 referendum a ban on marijuana retailers.

25 (4) If any marijuana establishment licensee including an adult use marijuana retailer applicant is
26 deemed unsuitable or denied a license or any of its owners, officers, directors, managers, members,
27 partners or agents is denied a registry identification card by the office of cannabis regulation.

28 **21-28.12-9. License Required.**

29 No person or entity shall engage in any activities in which a licensed marijuana
30 establishment licensee may engage pursuant to chapters 28.6, 28.11 or 28.12 of title 21 and the
31 regulations promulgated thereunder, without the license that is required in order to engage in such
32 activities issued by the office of cannabis regulation and compliance with all provisions of such
33 chapters 28.6, 28.11 and 28.12 of title 21 and the regulations promulgated thereunder.

34 **21.28.12-10. Enforcement.**

1 (a)(1) Notwithstanding any other provision of this chapter, if the director of the department
2 of business regulation or his or her designee has cause to believe that a violation of any provision
3 of chapters 21-28.6, 21-28.11 or 28.12 or any regulations promulgated thereunder has occurred by
4 a licensee that is under the department's jurisdiction pursuant to chapters 21-28.6, 21-28.11 or
5 28.12, or that any person or entity is conducting any activities requiring licensure or registration by
6 the office of cannabis regulation under chapters 21-28.6, 21-28.11 or 28.12 or the regulations
7 promulgated thereunder without such licensure or registration, the director or his or her designee
8 may, in accordance with the requirements of the administrative procedures act, chapter 35 of title
9 42:

10 (i) With the exception of patients and authorized purchasers, revoke or suspend a license
11 or registration;

12 (ii) Levy an administrative penalty in an amount established pursuant to regulations
13 promulgated by the office of cannabis regulation;

14 (iii) Order the violator to cease and desist such actions;

15 (iv) Require a licensee or registrant or person or entity conducting any activities requiring
16 licensure or registration under chapters 21-28.6, 21-28.11 or 28.12 to take such actions as are
17 necessary to comply with such chapter and the regulations promulgated thereunder; or

18 (v) Any combination of the above penalties.

19 (2) If the director of the department of business regulation finds that public health, safety,
20 or welfare imperatively requires emergency action, and incorporates a finding to that effect in his
21 or her order, summary suspension of license or registration and/or cease and desist may be ordered
22 pending proceedings for revocation or other action. These proceedings shall be promptly instituted
23 and determined.

24 (b) If a person exceeds the possession limits set forth in chapters 21-28.6, 21-28.11 or 21-
25 28.12, or is in violation of any other section of chapters 21-28.6, 21-28.11 or 28.12 or the
26 regulations promulgated thereunder, he or she may also be subject to arrest and prosecution under
27 chapter 28 of title 21 of the general laws.

28 (c) All marijuana establishment licensees are subject to inspection by the office of cannabis
29 regulation including but not limited to, the licensed premises, all marijuana and marijuana products
30 located on the licensed premises, personnel files, training materials, security footage, all business
31 records and business documents including but not limited to purchase orders, transactions, sales,
32 and any other financial records or financial statements whether located on the licensed premises or
33 not.

1 (d) All marijuana products that are held within the borders of this state in violation of the
2 provisions of chapters 28.6, 28.11 or 28.12 of title 21 or the regulations promulgated thereunder
3 are declared to be contraband goods and may be seized by the office of cannabis regulation, the tax
4 administrator or his or her agents, or employees, or by any sheriff, or his or her deputy, or any
5 police or other law enforcement officer when requested by the tax administrator or office of
6 cannabis regulation to do so, without a warrant. All contraband goods seized by the state under this
7 chapter may be destroyed.

8 (e) Notwithstanding any other provision of law, the office of cannabis regulation may make
9 available to law enforcement and public safety personnel, any information that the department's
10 director or his or her designee may consider proper contained in licensing records, inspection
11 reports and other reports and records maintained by the office of cannabis regulation, as necessary
12 or appropriate for purposes of ensuring compliance with state laws and regulations. Nothing in this
13 act shall be construed to prohibit law enforcement, public safety, fire, or building officials from
14 investigating violations of, or enforcing state law.

15 **21-28.12-11. Rulemaking authority.**

16 (a) The department of business regulation may adopt all rules and regulations necessary and
17 convenient to carry out and administer the provisions in this chapter and chapter 28.11 including
18 operational requirements applicable to licensees and regulations as are necessary and proper to
19 enforce the provisions of and carry out the duties assigned to it under this chapter and chapter 28.11,
20 including but not limited to regulations governing:

21 (1) Record-keeping requirements for marijuana establishment licensees;

22 (2) Security requirements for marijuana establishment licensees including but not limited
23 to the use of:

24 (i) An alarm system, with a backup power source, that alerts security personnel and local
25 law enforcement officials of any unauthorized breach;

26 (ii) Perpetual video surveillance system, with a backup power source, that records video
27 surveillance must be stored for at least two (2) months and be accessible to the office of cannabis
28 regulation via remote access and to law enforcement officials upon request;

29 (iii) Protocols that ensure the secure transport, delivery, and storage of cannabis and
30 cannabis products;

31 (iv) Additional security measures to protect against diversion or theft of cannabis from
32 cannabis cultivation facilities that cultivate cannabis outdoors; and

33 (v) any additional requirements deemed necessary by the office of cannabis regulation;

1 (3) Requirements for inventory tracking and the use of seed to sale monitoring system(s)
2 approved by the state which tracks all cannabis from its origin up to and including the point of sale;
3 (4) Permitted forms of advertising and advertising content.
4 (5) Permitted forms of marijuana products including, but not limited to, regulations which:
5 (i) prohibit any form of marijuana product which is in the shape or form of an animal,
6 human, vehicle, or other shape or form which may be attractive to children;
7 (ii) prohibit any marijuana “additives” which could be added, mixed, sprayed on, or applied
8 to an existing food product without a person’s knowledge; and
9 (iii) include any other requirements deemed necessary by the office of cannabis regulation;
10 and
11 (6) Limits for marijuana product serving sizes, doses, and potency including but not limited
12 to regulations which:
13 (i) limit all servings of edible forms of marijuana to no more than five milligrams (5 mg)
14 of THC per serving;
15 (ii) limit the total maximum amount of THC per edible product package to one hundred
16 milligrams (100 mg) of THC;
17 (iii) limit the THC potency of any product;
18 (iv) may establish product or package limits based on the total milligrams of THC; and
19 (v) include any additional requirements or limitations deemed necessary by the office of
20 cannabis regulation in consultation with the department of health.
21 (7) Product restrictions including but not limited to regulations which:
22 (i) establish a review process for the office of cannabis regulation to approve or deny forms
23 of marijuana products which may require marijuana establishment licensees to submit a proposal,
24 which includes photographs of the proposed product properly packaged and labeled and any other
25 materials deemed necessary by the office of cannabis regulation, to the office of cannabis regulation
26 for each line of cannabis products;
27 (ii) place additional restrictions on marijuana products to safeguard public health and
28 safety, as determined by the office of cannabis regulation in consultation with the executive branch
29 state agencies;
30 (iii) require all servings of edible products to be marked, imprinted, molded, or otherwise
31 display a symbol chosen by the department to alert consumers that the product contains marijuana;
32 (iv) standards to prohibit cannabis products that pose public health risks, that are easily
33 confused with existing non-cannabis products, or that are especially attractive to youth; and
34 (v) any other requirements deemed suitable by the department.

1 (8) Limits and restrictions for marijuana transactions and sales including but not limited to
2 regulations which:

3 (i) establish processes and procedures to ensure all transactions and sales are properly
4 tracked through the use of a seed to sale inventory tracking and monitoring system;

5 (ii) establish rules and procedures for customer age verification;

6 (iii) establish rules and procedures to ensure retailers to no dispense, and customers to not
7 purchase amounts of marijuana in excess of the one ounce (1 oz) marijuana or equivalent amount
8 per transaction and/or per day;

9 (iv) establish rules and procedures to ensure no marijuana is dispensed to anyone under the
10 age of twenty-one (21); and

11 (v) include any additional requirements deemed necessary by the office of cannabis regulation.

12 (9) The testing and safety of marijuana and marijuana products including but not limited
13 to regulations promulgated by the office of cannabis regulation or department of health, as
14 applicable which:

15 (i) license and regulate the operation of cannabis testing facilities, including requirements
16 for equipment, training, and qualifications for personnel;

17 (ii) set forth procedures that require random sample testing to ensure quality control,
18 including, but not limited to, ensuring that cannabis and cannabis products are accurately labeled
19 for tetrahydrocannabinol (THC) content and any other product profile;

20 (iii) testing for residual solvents or toxins; harmful chemicals; dangerous molds or mildew;
21 filth; and harmful microbials such as E. coli or salmonella and pesticides, and any other compounds,
22 elements, or contaminants;

23 (iv) require all cannabis and cannabis products must undergo random sample testing at a
24 licensed cannabis testing facility or other laboratory equipped to test cannabis and cannabis products
25 that has been approved by the office of cannabis regulation;

26 (v) require any products which fail testing be quarantined and/or recalled and destroyed in
27 accordance with regulations;

28 (vi) allow for the establishment of other quality assurance mechanisms which may include
29 but not be limited to the designation or creation of a reference laboratory, creation of a secret
30 shopper program, round robin testing, or any other mechanism to ensure the accuracy of product
31 testing and labeling;

32 (vii) require marijuana establishment licensees and marijuana products to comply with any
33 applicable food safety requirements determined by the office of cannabis regulation and/or the
34 department of health;

1 (viii) include any additional requirements deemed necessary by the office of cannabis
2 regulation and the department of health; and

3 (ix) allow the office of cannabis regulation, in coordination with the department of health, at
4 their discretion, to temporarily remove, or phase in, any requirement for laboratory testing if it finds
5 that there is not sufficient laboratory capacity for the market.

6 (10) Online sales;

7 (11) Transport and delivery;

8 (12) Marijuana and marijuana product packaging and labeling including but not limited to
9 requirements that packaging be:

10 (i) opaque;

11 (ii) constructed to be significantly difficult for children under five (5) years of age to open
12 and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995) or another
13 approval standard or process approved by the office of cannabis regulation;

14 (iii) designed in a way that is not deemed as especially appealing to children; and

15 (iv) any other regulations required by the office of cannabis regulation.

16 (13) Regulations for the quarantine and/or destruction of unauthorized materials;

17 (14) Industry and licensee production limitations;

18 (15) Procedures for the approval or denial of a license, and procedures for suspension or
19 revocation of the license of any marijuana establishment licensee that violates the provisions of this
20 chapter, chapter 28.11 or the regulations promulgated thereunder in accordance with the provisions
21 of chapter 35 of title 42 of the general laws;

22 (16) Compliance with municipal zoning restrictions, if any, which comply with § 21-28.12-
23 12 of this chapter;

24 (17) Standards and restrictions for marijuana manufacturing and processing which shall
25 include but not be limited to requirements that marijuana processors;

26 (i) comply with all applicable building and fire codes;

27 (ii) receive approval from the state fire marshal's office for all forms of manufacturing that
28 use a heat source or flammable solvent;

29 (iii) require any marijuana processor that manufactures edibles of marijuana infused food
30 products to comply with all applicable requirements and regulations issued by the department of
31 health's office of food safety; and

32 (iv) comply with any other requirements deemed suitable by the office of cannabis
33 regulation.

34 (18) Standards for employee and workplace safety and sanitation;

1 (19) Standards for employee training including but not limited to:

2 (i) requirements that all employees of cannabis establishments must participate in a
3 comprehensive training on standard operating procedures, security protocols, health and sanitation
4 standards, workplace safety, and the provisions of this chapter prior to working at the establishment.
5 Employees must be retrained on an annual basis or if state officials discover a cannabis
6 establishment in violation of any rule, regulation, or guideline in the course of regular inspections
7 or audits; and

8 (ii) any other requirements deemed appropriate by the office of cannabis regulation; and

9 (20) Mandatory labeling that must be affixed to all packages containing cannabis or
10 cannabis products including but not limited to requirements that the label display:

11 (i) the name of the establishment that cultivated the cannabis or produced the cannabis
12 product;

13 (ii) the tetrahydrocannabinol (THC) content of the product;

14 (iii) a "produced on" date;

15 (iv) warnings that state: "Consumption of cannabis impairs your ability to drive a car or
16 operate machinery" and "Keep away from children" and, unless federal law has changed to
17 accommodate cannabis possession, "Possession of cannabis is illegal under federal law and in many
18 states outside of Rhode Island";

19 (v) a symbol that reflects these products are not safe for children which contains poison
20 control contact information; and

21 (vi) any other information required by the office of cannabis regulation.

22 (21) Standards for the use of pesticides;

23 (22) General operating requirements, minimum oversight, and any other activities,
24 functions, or aspects of a marijuana establishment licensee in furtherance of creating a stable,
25 regulated cannabis industry and mitigating its impact on public health and safety; and

26 (23) Rules and regulations based on federal law provided those rules and regulations are
27 designed to comply with federal guidance and mitigate federal enforcement against the marijuana
28 establishments and adult use state stores authorized, licensed and operated pursuant to this chapter.

29 **21-28.12-12. Municipal authority.**

30 (a) Municipalities shall:

31 (i) Have the authority to enact local zoning and use ordinances not in conflict with this chapter
32 or with rules and regulations adopted by the office of cannabis regulation regulating the time, place, and
33 manner of marijuana establishments' operations, provided that no local authority may prohibit any type

1 of marijuana establishment operations altogether, either expressly or through the enactment of
2 ordinances or regulations which make any type of marijuana establishments' operation impracticable.

3 (b) Zoning ordinances enacted by a local authority shall not require a marijuana establishment
4 licensee or marijuana establishment applicant to enter into a community host agreement or pay any
5 consideration to the municipality other than reasonable zoning and permitting fees as determined by the
6 office of cannabis regulation. The office of cannabis regulation is the sole licensing authority for
7 marijuana establishment licensees. A municipality shall not enact any local zoning ordinances or
8 permitting requirements that establishes a de facto local license or licensing process unless explicitly
9 enabled by this chapter or ensuing regulations promulgated by the office of cannabis regulation.

10 (c) Notwithstanding subsection (a) of this section:

11 (i) Municipalities may enact local zoning and use ordinances which prohibit specific classes of
12 marijuana establishment licenses, or all classes of marijuana establishment licenses from being issued
13 within their jurisdiction and which may remain in effect until November 8, 2022. A local zoning and use
14 ordinance which prohibits specific classes of marijuana establishment licenses, or all classes of marijuana
15 establishment licenses from being issued within a city or town's jurisdiction may only remain in effect past
16 November 8, 2021, if the residents of the municipality have approved, by a simple majority of the electors
17 voting, a referendum to ban adult use marijuana cultivator facilities, adult use state stores, adult use
18 marijuana processors or cannabis testing facilities, provided such referendum must be conducted on or
19 before November 8, 2022, and any ordinances related thereto must be adopted before April 1, 2023;

20 (ii) Municipalities must put forth a separate referendum question to ban each class of
21 marijuana establishment. A single question to ban all classes of marijuana establishments shall not be
22 permitted; and

23 (iii) Municipalities which ban the licensure of marijuana establishments located within their
24 jurisdiction pursuant to subsection (c)(i), and/or adopt local zoning and other ordinances, in accordance
25 with this section, may hold future referenda to prohibit previously allowed licenses, or allow previously
26 prohibited licenses, provided those subsequent referenda are held on the first Tuesday after the first
27 Monday in the month of November.

28 (d) Notwithstanding subsections (a), (b) or (c) of this section, a municipality may not
29 prohibit a medical marijuana establishment licensee from continuing to operate under a marijuana
30 establishment license issued by the office of cannabis regulation or previously issued by the
31 department of business regulation if that marijuana establishment licensee was approved or licensed
32 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 ordinances
5 enacted pursuant to and in accordance with this section.

6 (g) Notwithstanding subsection (b) of this section, a city or town may receive a municipal
7 impact fee from a newly licensed and operating marijuana establishment located within their
8 jurisdiction provided:

9 (i) the municipal impact fee must offset or reimburse actual costs and expenses incurred by
10 the city or town during the first three (3) months that the licensee is licensed and/or operational;

11 (ii) the municipal impact fee must offset or reimburse reasonable and appropriate expenses
12 incurred by the municipality, which are directly attributed to, or are a direct result of, the licensed
13 operations of the marijuana establishment which may include but not be limited to, increased traffic or
14 police details needed to address new traffic patterns, increased parking needs, or pedestrian foot traffic
15 by consumers;

16 (iii) the municipality is responsible for estimating or calculating projected impact fees and
17 must follow the same methodology if providing a fee estimate or projection for multiple marijuana
18 establishment locations or applicants;

19 (iv) marijuana establishment licensees or applicants may not offer competing impact fees or
20 pay a fee that is more than the actual and reasonable costs and expenses incurred by the municipality;
21 and

22 (v) the office of cannabis regulation may suspend, revoke or refuse to issue a license to an
23 applicant or for a proposed establishment within a municipality if the municipality and/or marijuana
24 establishment local impact fee violates the requirements of this section.

25 **21-28.12-13. Transportation of marijuana.**

26 The office of cannabis regulation shall promulgate regulations regarding secure transportation
27 of marijuana for eligible adult use marijuana retailers delivering products to purchasers in accordance
28 with this chapter and shipments of marijuana or marijuana products between marijuana establishment
29 licensees.

30 **21-28.12-14. No minors on the premises of marijuana establishments.**

31 A marijuana establishment shall not allow any person who is under twenty-one (21) years of
32 age to be present inside any room where marijuana or marijuana products are stored, produced, or sold
33 by the marijuana establishment unless the person who is under twenty-one (21) years of age is:

34 (1) A government employee performing their official duties; or

1 (2) If the marijuana establishment is a hybrid marijuana retailer that also holds a compassion
2 center license pursuant § 21-28.6-12 for the same licensed premises and the individual under twenty-
3 one (21) years of age is a qualifying patient registered under chapter 28.6 of title 21 and the retail
4 establishment complies with applicable regulations promulgated by the department of business
5 regulation.

6 **21-28.12-15. Contracts enforceable.**

7 It is the public policy of the state that contracts related to the operation of a marijuana
8 establishment or a licensee under chapter 26 of title 2 or chapters 28.6 and 28.12 of title 21 in
9 accordance with Rhode Island law shall be enforceable. It is the public policy of the state that no
10 contract entered into by a licensed marijuana establishment or other licensee under chapter 26 of title
11 2 or chapters 28.6 and 28.12 of title 21 of the general laws or its employees or agents as permitted
12 pursuant to a valid license issued by the office of cannabis regulation, or by those who allow property
13 to be used by an establishment, its employees, or its agents as permitted pursuant to a valid license, shall
14 be unenforceable solely on the basis that cultivating, obtaining, manufacturing, distributing, dispensing,
15 transporting, selling, possessing, testing or using marijuana or hemp is prohibited by federal law.

16 **21-28.12-16. Establishment of marijuana trust fund.**

17 (a) There is created with the general fund a restricted receipt accounts collectively known
18 as the “marijuana trust fund”, otherwise known as the “adult use marijuana licensing” or “adult use
19 marijuana program licensing” accounts. Taxes collected pursuant to chapter 49.1 of title 44,
20 including sales and use tax attributable to marijuana products, and fees collected pursuant to chapter
21 28.12 of title 21 shall be deposited into this account. The state share of trust fund revenue will be
22 used to fund programs and activities related to program administration; revenue collection and
23 enforcement; substance use disorder prevention for adults and youth; education and public
24 awareness campaigns; treatment and recovery support services; public health monitoring, research,
25 data collection, and surveillance; law enforcement training and technology improvements including
26 grants to local law enforcement; and such other related uses that may be deemed necessary by the
27 office of management and budget. The restricted receipt account will be housed within the budgets
28 of the departments of attorney general, behavioral healthcare, developmental disabilities, and
29 hospitals; business regulation; health; judiciary; revenue and public safety, and the executive office
30 of health and human services. All amounts deposited into the marijuana trust fund shall be exempt
31 from the indirect cost recovery provisions of § 35-4-27. The allocation of the marijuana trust fund
32 shall be:

33 (1) Twenty-five percent (25%) of trust fund revenue to the departments of business
34 regulation, health, revenue and public safety, and the executive office of health and human services,

1 except that in fiscal year 2022 the office of management and budget may allocate up to an additional
2 five million three hundred thousand dollars (\$5,300,000) from trust fund revenues to these
3 agencies:

4 (2) Fifteen percent (15%) of trust fund revenue to cities and towns; and

5 (3) Sixty percent (60%) of trust fund revenue to the general fund.

6 (b) All revenue allocated to cities and towns under subsection (a)(2) shall be distributed at
7 least quarterly by the division of taxation and department of business regulation, credited and paid
8 by the state treasurer to the city or town based on the following allocation:

9 (1) One-quarter based in an equal distribution to each city or town in the state;

10 (2) One-quarter based on the share of total licensed marijuana cultivators, licensed
11 marijuana processors, and licensed marijuana retailers found in each city or town at the end of the
12 quarter that corresponds to the distribution, with licensed marijuana retailers assigned a weight
13 twice that of the other license types; and

14 (3) One-half based on the volume of sales of adult use marijuana products that occurred in
15 each city or town in the quarter of the distribution.

16 (c) The division of taxation and the department of business regulation shall jointly
17 promulgate regulations to effectuate the distribution under subsection (a)(2).

18 **21-28.12-17. Transfer of revenue to the marijuana trust fund.**

19 The department of business regulation shall transfer all revenue collected pursuant to this
20 chapter, including penalties or forfeitures, interest, costs of suit and fines, to the marijuana trust
21 fund established by § 21-28.12-16.

22 **21-28.12-18. Market demand study to determine viability of a cap on retail licenses.**

23 (a) No later than January 1, 2025, the department of business regulation shall conduct a
24 market demand study to determine the effect of the phased implementation of adult use marijuana
25 retail licenses on the Rhode Island market. This study shall include, but not be limited to, an analysis
26 of price changes, product availability, geographic dispersion, and downstream effects on
27 cultivators, manufacturers, and other market participants licensed under chapter 28.12 of title 21.

28 (b) The study may further contemplate, based on this analysis, a recommendation for an
29 overall cap on retail licenses in Rhode Island. The study shall be made public by the department
30 and delivered to the Governor, the Speaker of the House of Representatives, and the President of
31 the Senate.

32 **21-28.12-19. Severability.**

33 If any provision of this chapter or its application thereof to any person or circumstance is
34 held invalid, such invalidity shall not affect other provisions or applications of this chapter, which

1 [can be given effect without the invalid provision or application, and to this end the provisions of](#)
2 [this chapter are declared to be severable.](#)

3 SECTION 7. Sections 31-27-2, 31-27-2.1 and 31-27-2.9 of the General Laws in Chapter
4 31-27 entitled “Motor Vehicles Offenses” are hereby amended to read as follows:

5 **31-27-2. Driving under influence of liquor or drugs.**

6 (a) Whoever drives or otherwise operates any vehicle in the state while under the influence
7 of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in chapter 28 of
8 title 21, or any combination of these, shall be guilty of a misdemeanor, except as provided in
9 subsection (d)(3), and shall be punished as provided in subsection (d).

10 (b)(1) Any person charged under subsection (a), whose blood alcohol concentration is eight
11 one-hundredths of one percent (.08%) or more by weight, as shown by a chemical analysis of a
12 blood, breath, or urine sample, shall be guilty of violating subsection (a). This provision shall not
13 preclude a conviction based on other admissible evidence, [including the testimony of a drug](#)
14 [recognition expert or evaluator, certified pursuant to training approved by the Rhode Island](#)
15 [Department of Transportation Office on Highway Safety](#). Proof of guilt under this section may also
16 be based on evidence that the person charged was under the influence of intoxicating liquor, drugs,
17 toluene, or any controlled substance defined in chapter 28 of title 21, or any combination of these,
18 to a degree that rendered the person incapable of safely operating a vehicle. The fact that any person
19 charged with violating this section is, or has been, legally entitled to use alcohol or a drug shall not
20 constitute a defense against any charge of violating this section.

21 (2) [Deleted by P.L. 2021, ch. 170, § 1 and P.L. 2021, ch. 171, § 1.]

22 (c) In any criminal prosecution for a violation of subsection (a), evidence as to the amount
23 of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of title 21, or
24 any combination of these, in the defendant's blood at the time alleged as shown by a chemical
25 analysis of the defendant's breath, blood, [saliva](#) or urine or other bodily substance, shall be
26 admissible and competent, provided that evidence is presented that the following conditions have
27 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 hand delivered at the location of the test
32 or mailed within seventy-two (72) hours of the taking of the test to the person submitting to a breath
33 test.

1 (3) Any person submitting to a chemical test of blood, urine, [saliva](#) or other body fluids
2 shall have a true copy of the report of the test result mailed to him or her within thirty (30) days
3 following the taking of the test.

4 (4) The test was performed according to methods and with equipment approved by the
5 director of the department of health of the state of Rhode Island and by an authorized individual.

6 (5) Equipment used for the conduct of the tests by means of breath analysis had been tested
7 for accuracy within thirty (30) days preceding the test by personnel qualified as hereinbefore
8 provided, and breathalyzer operators shall be qualified and certified by the department of health
9 within three hundred sixty-five (365) days of the test.

10 (6) The person arrested and charged with operating a motor vehicle 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 in violation of subsection (a), was afforded the opportunity to
13 have an additional chemical test. The officer arresting or so charging the person shall have informed
14 the person of this right and afforded him or her a reasonable opportunity to exercise this right, and
15 a notation to this effect is made in the official records of the case in the police department. Refusal
16 to permit an additional chemical test shall render incompetent and inadmissible in evidence the
17 original report.

18 (d)(1)(i) Every person found to have violated subsection (b)(1) shall be sentenced as
19 follows: for a first violation whose blood alcohol concentration is eight one-hundredths of one
20 percent (.08%), but less than one-tenth of one percent (.1%), by weight, or who has a blood presence
21 of any scheduled controlled substance as defined in chapter 28 of title 21, shall be subject to a fine
22 of not less than one hundred dollars (\$100), nor more than three hundred dollars (\$300); shall be
23 required to perform ten (10) to sixty (60) hours of public community restitution, and/or shall be
24 imprisoned for up to one year. The sentence may be served in any unit of the adult correctional
25 institutions in the discretion of the sentencing judge and/or shall be required to attend a special
26 course on driving while intoxicated or under the influence of a controlled substance; provided,
27 however, that the court may permit a servicemember or veteran to complete any court-approved
28 counseling program administered or approved by the Veterans' Administration, and his or her
29 driver's license shall be suspended for thirty (30) days up to one hundred eighty (180) days. The
30 sentencing judge or magistrate may prohibit that person from operating a motor vehicle, pursuant
31 to subsection (d)(9) or (d)(10) of this section, that is not equipped with an ignition interlock system
32 and/or blood and urine testing as provided in § 31-27-2.8.

33 (ii) Every person convicted of a first violation whose blood alcohol concentration is one-
34 tenth of one percent (.1%) by weight or above, but less than fifteen hundredths of one percent

1 (.15%), or whose blood alcohol concentration is unknown, shall be subject to a fine of not less than
2 one hundred (\$100) dollars, nor more than four hundred dollars (\$400), and shall be required to
3 perform ten (10) to sixty (60) hours of public community restitution and/or shall be imprisoned for
4 up to one year. The sentence may be served in any unit of the adult correctional institutions in the
5 discretion of the sentencing judge. The person's driving license shall be suspended for a period of
6 three (3) months to twelve (12) months. The sentencing judge shall require attendance at a special
7 course on driving while intoxicated or under the influence of a controlled substance and/or
8 alcoholic or drug treatment for the individual; provided, however, that the court may permit a
9 servicemember or veteran to complete any court-approved counseling program administered or
10 approved by the Veterans' Administration. The sentencing judge or magistrate may prohibit that
11 person from operating a motor vehicle that is not equipped with an ignition interlock system as
12 provided in § 31-27-2.8.

13 (iii) Every person convicted of a first offense whose blood alcohol concentration is fifteen
14 hundredths of one percent (.15%) or above, or who is under the influence of a drug, toluene, or any
15 controlled substance as defined in subsection (b)(1), shall be subject to a fine of five hundred dollars
16 (\$500) and shall be required to perform twenty (20) to sixty (60) hours of public community
17 restitution and/or shall be imprisoned for up to one year. The sentence may be served in any unit
18 of the adult correctional institutions in the discretion of the sentencing judge. The person's driving
19 license shall be suspended for a period of three (3) months to eighteen (18) months. The sentencing
20 judge shall require attendance at a special course on driving while intoxicated or under the influence
21 of a controlled substance and/or alcohol or drug treatment for the individual; provided, however,
22 that the court may permit a servicemember or veteran to complete any court-approved counseling
23 program administered or approved by the Veterans' Administration. The sentencing judge or
24 magistrate shall prohibit that person from operating a motor vehicle, pursuant to subsection (d)(9)
25 or (d)(10) of this section, that is not equipped with an ignition interlock system and/or blood and
26 urine testing as provided in § 31-27-2.8.

27 (2)(i) Every person convicted of a second violation within a five-year (5) period with a
28 blood alcohol concentration of eight one-hundredths of one percent (.08%) or above, but less than
29 fifteen hundredths of one percent (.15%), or whose blood alcohol concentration is unknown, or
30 who has a blood presence of any controlled substance as defined in chapter 28 of title 21, and every
31 person convicted of a second violation within a five-year (5) period, regardless of whether the prior
32 violation and subsequent conviction was a violation and subsequent conviction under this statute
33 or under the driving under the influence of liquor or drugs statute of any other state, shall be subject
34 to a mandatory fine of four hundred dollars (\$400). The person's driving license shall be suspended

1 for a period of one year to two (2) years, and the individual shall be sentenced to not less than ten
2 (10) days, nor more than one year, in jail. The sentence may be served in any unit of the adult
3 correctional institutions in the discretion of the sentencing judge; however, not less than forty-eight
4 (48) hours of imprisonment shall be served consecutively. The sentencing judge shall require
5 alcohol or drug treatment for the individual; provided, however, that the court may permit a
6 servicemember or veteran to complete any court-approved counseling program administered or
7 approved by the Veterans' Administration and shall prohibit that person from operating a motor
8 vehicle, pursuant to subsection (d)(9) or (d)(10) of this section, that is not equipped with an ignition
9 interlock system and/or blood and urine testing as provided in § 31-27-2.8.

10 (ii) Every person convicted of a second violation within a five-year (5) period whose blood
11 alcohol concentration is fifteen hundredths of one percent (.15%) or above, by weight as shown by
12 a chemical analysis of a blood, breath, or urine sample, or who is under the influence of a drug,
13 toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to mandatory
14 imprisonment of not less than six (6) months, nor more than one year; a mandatory fine of not less
15 than one thousand dollars (\$1,000); and a mandatory license suspension for a period of two (2)
16 years from the date of completion of the sentence imposed under this subsection. The sentencing
17 judge shall require alcohol or drug treatment for the individual; provided, however, that the court
18 may permit a servicemember or veteran to complete any court approved counseling program
19 administered or approved by the Veterans' Administration. The sentencing judge or magistrate shall
20 prohibit that person from operating a motor vehicle, pursuant to subsection (d)(9) or (d)(10) of this
21 section, that is not equipped with an ignition interlock system and/or blood and urine testing as
22 provided in § 31-27-2.8.

23 (3)(i) Every person convicted of a third or subsequent violation within a five-year (5)
24 period with a blood alcohol concentration of eight one-hundredths of one percent (.08%) or above,
25 but less than fifteen hundredths of one percent (.15%), or whose blood alcohol concentration is
26 unknown or who has a blood presence of any scheduled controlled substance as defined in chapter
27 28 of title 21, regardless of whether any prior violation and subsequent conviction was a violation
28 and subsequent conviction under this statute or under the driving under the influence of liquor or
29 drugs statute of any other state, shall be guilty of a felony and be subject to a mandatory fine of
30 four hundred (\$400) dollars. The person's driving license shall be suspended for a period of two (2)
31 years to three (3) years, and the individual shall be sentenced to not less than one year and not more
32 than three (3) years in jail. The sentence may be served in any unit of the adult correctional
33 institutions in the discretion of the sentencing judge; however, not less than forty-eight (48) hours
34 of imprisonment shall be served consecutively. The sentencing judge shall require alcohol or drug

1 treatment for the individual; provided, however, that the court may permit a servicemember or
2 veteran to complete any court-approved counseling program administered or approved by the
3 Veterans' Administration, and shall prohibit that person from operating a motor vehicle, pursuant
4 to subsection (d)(9) or (d)(10) of this section, that is not equipped with an ignition interlock system
5 and/or blood and urine testing as provided in § 31-27-2.8.

6 (ii) Every person convicted of a third or subsequent violation within a ten-year (10) period
7 whose blood alcohol concentration is fifteen hundredths of one percent (.15%) 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 three (3) years, nor more than five (5) years; a mandatory
11 fine of not less than one thousand dollars (\$1,000), nor more than five thousand dollars (\$5,000);
12 and a mandatory license suspension for a period of three (3) years from the date of completion of
13 the sentence imposed under this subsection. The sentencing judge shall require alcohol or drug
14 treatment for the individual. The sentencing judge or magistrate shall prohibit that person from
15 operating a motor vehicle, pursuant to subsection (d)(9) or (d)(10) of this section, that is not
16 equipped with an ignition interlock system and/or blood and urine testing as provided in § 31-27-
17 2.8.

18 (iii) In addition to the foregoing penalties, every person convicted of a third or subsequent
19 violation within a five-year (5) period, regardless of whether any prior violation and subsequent
20 conviction was a violation and subsequent conviction under this statute or under the driving under
21 the influence of liquor or drugs statute of any other state, shall be subject, in the discretion of the
22 sentencing judge, to having the vehicle owned and operated by the violator seized and sold by the
23 state of Rhode Island, with all funds obtained by the sale to be transferred to the general fund.

24 (4) Whoever drives or otherwise operates any vehicle in the state while under the influence
25 of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in chapter 28 of
26 title 21, or any combination of these, when his or her license to operate is suspended, revoked, or
27 cancelled for operating under the influence of a narcotic drug or intoxicating liquor, shall be guilty
28 of a felony punishable by imprisonment for not more than three (3) years and by a fine of not more
29 than three thousand dollars (\$3,000). The court shall require alcohol and/or drug treatment for the
30 individual; provided, the penalties provided for in this subsection (d)(4) shall not apply to an
31 individual who has surrendered his or her license and served the court-ordered period of suspension,
32 but who, for any reason, has not had his or her license reinstated after the period of suspension,
33 revocation, or suspension has expired; provided, further, the individual shall be subject to the

1 provisions of subsection (d)(2)(i), (d)(2)(ii), (d)(3)(i), (d)(3)(ii), or (d)(3)(iii) regarding subsequent
2 offenses, and any other applicable provision of this section.

3 (5)(i) For purposes of determining the period of license suspension, a prior violation shall
4 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.1.

5 (ii) Any person over the age of eighteen (18) who is convicted under this section for
6 operating a motor vehicle while under the influence of alcohol, other drugs, or a combination of
7 these, while a child under the age of thirteen (13) years was present as a passenger in the motor
8 vehicle when the offense was committed shall be subject to immediate license suspension pending
9 prosecution. Any person convicted of violating this section shall be guilty of a misdemeanor for a
10 first offense and may be sentenced to a term of imprisonment of not more than one year and a fine
11 not to exceed one thousand dollars (\$1,000). Any person convicted of a second or subsequent
12 offense shall be guilty of a felony offense and may be sentenced to a term of imprisonment of not
13 more than five (5) years and a fine not to exceed five thousand dollars (\$5,000). The sentencing
14 judge shall also order a license suspension of up to two (2) years, require attendance at a special
15 course on driving while intoxicated or under the influence of a controlled substance, and alcohol
16 or drug education and/or treatment. The individual may also be required to pay a highway
17 assessment fee of no more than five hundred dollars (\$500) and the assessment shall be deposited
18 in the general fund.

19 (6)(i) Any person convicted of a violation under this section shall pay a highway
20 assessment fine of five hundred dollars (\$500) that shall be deposited into the general fund. The
21 assessment provided for by this subsection shall be collected from a violator before any other fines
22 authorized by this section.

23 (ii) Any person convicted of a violation under this section shall be assessed a fee of eighty-
24 six dollars (\$86).

25 (7)(i) If the person convicted of violating this section is under the age of eighteen (18)
26 years, for the first violation he or she shall be required to perform ten (10) to sixty (60) hours of
27 public community restitution and the juvenile's driving license shall be suspended for a period of
28 six (6) months, and may be suspended for a period up to eighteen (18) months. The sentencing
29 judge shall also require attendance at a special course on driving while intoxicated or under the
30 influence of a controlled substance and alcohol or drug education and/or treatment for the juvenile.
31 The juvenile may also be required to pay a highway assessment fine of no more than five hundred
32 dollars (\$500) and the assessment imposed shall be deposited into the general fund.

33 (ii) If the person convicted of violating this section is under the age of eighteen (18) years,
34 for a second or subsequent violation regardless of whether any prior violation and subsequent

1 conviction was a violation and subsequent under this statute or under the driving under the influence
2 of liquor or drugs statute of any other state, he or she shall be subject to a mandatory suspension of
3 his or her driving license until such time as he or she is twenty-one (21) years of age and may, in
4 the discretion of the sentencing judge, also be sentenced to the Rhode Island training school for a
5 period of not more than one year and/or a fine of not more than five hundred dollars (\$500).

6 (8) Any person convicted of a violation under this section may undergo a clinical
7 assessment at the community college of Rhode Island's center for workforce and community
8 education. Should this clinical assessment determine problems of alcohol, drug abuse, or
9 psychological problems associated with alcoholic or drug abuse, this person shall be referred to an
10 appropriate facility, licensed or approved by the department of behavioral healthcare,
11 developmental disabilities and hospitals, for treatment placement, case management, and
12 monitoring. In the case of a servicemember or veteran, the court may order that the person be
13 evaluated through the Veterans' Administration. Should the clinical assessment determine problems
14 of alcohol, drug abuse, or psychological problems associated with alcohol or drug abuse, the person
15 may have their treatment, case management, and monitoring administered or approved by the
16 Veterans' Administration.

17 (9) Notwithstanding any other sentencing and disposition provisions contained in this
18 chapter, if the judge or magistrate makes a finding beyond a reasonable doubt that a motorist was
19 operating a vehicle in the state while under the influence of drugs, toluene, or any controlled
20 substance as evidenced by the presence of controlled substances on or about the person or vehicle,
21 or other reliable indicia or articulable conditions thereof, but not intoxicating liquor based on a
22 preliminary breath test, results from a breathalyzer that indicates no blood alcohol concentration,
23 or both, the judge or magistrate may exercise his or her discretion and eliminate the requirement of
24 an ignition interlock system; provided, that blood and/or urine testing is mandated as a condition
25 to operating a motor vehicle as provided in § 31-27-2.8.

26 (10) Notwithstanding any other sentencing and disposition provisions contained in this
27 chapter, if the judge or magistrate makes a finding beyond a reasonable doubt that a motorist was
28 operating a vehicle in the state while under the influence of drugs, toluene, or any controlled
29 substance as evidenced by the presence of controlled substances on or about the person or vehicle,
30 or other reliable indicia or articulable conditions thereof and intoxicating liquor based on a
31 preliminary breath test, results from a breathalyzer that indicates blood alcohol concentration, or
32 both, the judge or magistrate may require an ignition interlock system in addition to blood and/or
33 urine testing as a condition to operating a motor vehicle as provided in § 31-27-2.8.

1 (e) Percent by weight of alcohol in the blood shall be based upon milligrams of alcohol per
2 one hundred cubic centimeters (100 cc) of blood.

3 (f)(1) There is established an alcohol and drug safety unit within the division of motor
4 vehicles to administer an alcohol safety action program. The program shall provide for placement
5 and follow-up for persons who are required to pay the highway safety assessment. The alcohol and
6 drug safety action program will be administered in conjunction with alcohol and drug programs
7 licensed by the department of behavioral healthcare, developmental disabilities and hospitals.

8 (2) Persons convicted under the provisions of this chapter shall be required to attend a
9 special course on driving while intoxicated or under the influence of a controlled substance, and/or
10 participate in an alcohol or drug treatment program, which course and programs must meet the
11 standards established by the Rhode Island department of behavioral healthcare, developmental
12 disabilities and hospitals; provided, however, that the court may permit a servicemember or veteran
13 to complete any court-approved counseling program administered or approved by the Veterans'
14 Administration. The course shall take into consideration any language barrier that may exist as to
15 any person ordered to attend, and shall provide for instruction reasonably calculated to
16 communicate the purposes of the course in accordance with the requirements of the subsection.
17 Any costs reasonably incurred in connection with the provision of this accommodation shall be
18 borne by the person being retrained. A copy of any violation under this section shall be forwarded
19 by the court to the alcohol and drug safety unit. In the event that persons convicted under the
20 provisions of this chapter fail to attend and complete the above course or treatment program, as
21 ordered by the judge, then the person may be brought before the court, and after a hearing as to
22 why the order of the court was not followed, may be sentenced to jail for a period not exceeding
23 one year.

24 (3) The alcohol and drug safety action program within the division of motor vehicles shall
25 be funded by general revenue appropriations.

26 (g) The director of the health department of the state of Rhode Island is empowered to
27 make and file with the secretary of state regulations that prescribe the techniques and methods of
28 chemical analysis of the person's body fluids or breath and the qualifications and certification of
29 individuals authorized to administer this testing and analysis.

30 (h) Jurisdiction for misdemeanor violations of this section shall be with the district court
31 for persons eighteen (18) years of age or older and to the family court for persons under the age of
32 eighteen (18) years. The courts shall have full authority to impose any sentence authorized and to
33 order the suspension of any license for violations of this section. Trials in superior court are not
34 required to be scheduled within thirty (30) days of the arraignment date.

1 (i) No fines, suspensions, assessments, alcohol or drug treatment programs, course on
2 driving while intoxicated or under the influence of a controlled substance, public community
3 restitution, or jail provided for under this section can be suspended.

4 (j) An order to attend a special course on driving while intoxicated that shall be
5 administered in cooperation with a college or university accredited by the state, shall include a
6 provision to pay a reasonable tuition for the course in an amount not less than twenty-five dollars
7 (\$25.00), and a fee of one hundred seventy-five dollars (\$175), which fee shall be deposited into
8 the general fund.

9 (k) For the purposes of this section, any test of a sample of blood, breath, or urine for the
10 presence of alcohol that relies in whole or in part upon the principle of infrared light absorption is
11 considered a chemical test.

12 (l) If any provision of this section, or the application of any provision, shall for any reason
13 be judged invalid, such a judgment shall not affect, impair, or invalidate the remainder of the
14 section, but shall be confined in this effect to the provision or application directly involved in the
15 controversy giving rise to the judgment.

16 (m) For the purposes of this section, "servicemember" means a person who is presently
17 serving in the armed forces of the United States, including the Coast Guard, a reserve component
18 thereof, or the National Guard. "Veteran" means a person who has served in the armed forces,
19 including the Coast Guard of the United States, a reserve component thereof, or the National Guard,
20 and has been discharged under other than dishonorable conditions.

21 **31-27-2.1. Refusal to submit to chemical test.**

22 (a) Any person who operates a motor vehicle within this state shall be deemed to have
23 given his or her consent to chemical tests of his or her breath, blood, [saliva](#) and/or urine for the
24 purpose of determining the chemical content of his or her body fluids or breath. No more than two
25 (2) complete tests, one for the presence of intoxicating liquor and one for the presence of toluene
26 or any controlled substance, as defined in § 21-28-1.02, shall be administered at the direction of a
27 law enforcement officer having reasonable grounds to believe the person to have been driving a
28 motor vehicle within this state while under the influence of intoxicating liquor, toluene, or any
29 controlled substance, as defined in chapter 28 of title 21, or any combination of these. The director
30 of the department of health is empowered to make and file, with the secretary of state, regulations
31 that prescribe the techniques and methods of chemical analysis of the person's body fluids or breath
32 and the qualifications and certification of individuals authorized to administer the testing and
33 analysis.

1 (b) If a person, for religious or medical reasons, cannot be subjected to blood tests, the
2 person may file an affidavit with the division of motor vehicles stating the reasons why he or she
3 cannot be required to take blood tests and a notation to this effect shall be made on his or her
4 license. If that person is asked to submit to chemical tests as provided under this chapter, the person
5 shall only be required to submit to chemical tests of his or her breath, [saliva](#) or urine. When a person
6 is requested to submit to blood tests, only a physician or registered nurse, or a medical technician
7 certified under regulations promulgated by the director of the department of health, may withdraw
8 blood for the purpose of determining the alcoholic content in it. This limitation shall not apply to
9 the taking of breath, [saliva](#) or urine specimens. The person tested shall be permitted to have a
10 physician of his or her own choosing, and at his or her own expense, administer chemical tests of
11 his or her breath, blood, [saliva](#) and/or urine in addition to the tests administered at the direction of
12 a law enforcement officer. If a person, having been placed under arrest, refuses upon the request of
13 a law enforcement officer to submit to the tests, as provided in § 31-27-2, none shall be given.

14 (1) At the initial traffic tribunal appearance, the magistrate shall review the incident, action,
15 and/or arrest reports submitted by the law enforcement officer to determine if there exists
16 reasonable grounds to believe that the person had been driving a motor vehicle while under the
17 influence of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of
18 title 21, or any combination thereof. The magistrate shall also determine if the person had been
19 informed of the penalties incurred as a result of failing to submit to a chemical test as provided in
20 this section and that the person had been informed of the implied consent notice contained in
21 subsection (c)(10) of this section. For the purpose of this subsection only, "driving a motor vehicle
22 while under the influence of any controlled substance as defined in chapter 28 of title 21" shall be
23 indicated by the presence or aroma of a controlled substance on or about the person or vehicle of
24 the individual refusing the chemical test or other reliable indicia or articulable conditions that the
25 person was impaired due to their intake of a controlled substance.

26 (2) If the magistrate determines that subsection (b)(1) of this section has been satisfied they
27 shall promptly order that the person's operator's license or privilege to operate a motor vehicle in
28 this state be immediately suspended. Said suspension shall be subject to the hardship provisions
29 enumerated in § 31-27-2.8.

30 (c) A traffic tribunal judge or magistrate, or a district court judge or magistrate, pursuant
31 to the terms of subsection (d) of this section, shall order as follows:

32 (1) Impose, for the first violation, a fine in the amount of two hundred dollars (\$200) to
33 five hundred dollars (\$500) and shall order the person to perform ten (10) to sixty (60) hours of
34 public community restitution. The person's driving license in this state shall be suspended for a

1 period of six (6) months to one year. The traffic tribunal judge or magistrate shall require attendance
2 at a special course on driving while intoxicated or under the influence of a controlled substance
3 and/or alcohol or drug treatment for the individual. The traffic tribunal judge or magistrate may
4 prohibit that person from operating a motor vehicle that is not equipped with an ignition interlock
5 system [and/or blood or urine testing](#) as provided in § 31-27-2.8.

6 (2) Every person convicted of a second violation within a five-year (5) period, except with
7 respect to cases of refusal to submit to a blood test, shall be guilty of a misdemeanor; shall be
8 imprisoned for not more than six (6) months; shall pay a fine in the amount of six hundred dollars
9 (\$600) to one thousand dollars (\$1,000); perform sixty (60) to one hundred (100) hours of public
10 community restitution; and the person's driving license in this state shall be suspended for a period
11 of one year to two (2) years. The judge or magistrate shall require alcohol and/or drug treatment
12 for the individual. The sentencing judge or magistrate shall prohibit that person from operating a
13 motor vehicle that is not equipped with an ignition interlock system [and/or blood or urine testing](#)
14 as provided in § 31-27-2.8.

15 (3) Every person convicted for a third or subsequent violation within a five-year (5) period,
16 except with respect to cases of refusal to submit to a blood test, shall be guilty of a misdemeanor;
17 and shall be imprisoned for not more than one year; fined eight hundred dollars (\$800) to one
18 thousand dollars (\$1,000); shall perform not less than one hundred (100) hours of public community
19 restitution; and the person's operator's license in this state shall be suspended for a period of two
20 (2) years to five (5) years. The sentencing judge or magistrate shall prohibit that person from
21 operating a motor vehicle that is not equipped with an ignition interlock system and/or blood or
22 urine testing as provided in § 31-27-2.8. The judge or magistrate shall require alcohol or drug
23 treatment for the individual. Provided, that prior to the reinstatement of a license to a person charged
24 with a third or subsequent violation within a three-year (3) period, a hearing shall be held before a
25 judge or magistrate. At the hearing, the judge or magistrate shall review the person's driving record,
26 his or her employment history, family background, and any other pertinent factors that would
27 indicate that the person has demonstrated behavior that warrants the reinstatement of his or her
28 license.

29 (4) For a second violation within a five-year (5) period with respect to a case of a refusal
30 to submit to a blood test, a fine in the amount of six hundred dollars (\$600) to one thousand dollars
31 (\$1,000); the person shall perform sixty (60) to one hundred (100) hours of public community
32 restitution; and the person's driving license in this state shall be suspended for a period of two (2)
33 years. The judicial officer shall require alcohol and/or drug treatment for the individual. The
34 sentencing judicial officer shall prohibit that person from operating a motor vehicle that is not

1 equipped with an ignition interlock system as provided in § 31-27-2.8. Such a violation with respect
2 to refusal to submit to a chemical blood test shall be a civil offense.

3 (5) For a third or subsequent violation within a five-year (5) period with respect to a case
4 of a refusal to submit to a blood test, a fine in the amount of eight hundred dollars (\$800) to one
5 thousand dollars (\$1,000); the person shall perform not less than one hundred (100) hours of public
6 community restitution; and the person's driving license in this state shall be suspended for a period
7 of two (2) to five (5) years. The sentencing judicial officer shall prohibit that person from operating
8 a motor vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.
9 The judicial officer shall require alcohol and/or drug treatment for the individual. Such a violation
10 with respect to refusal to submit to a chemical test of blood shall be a civil offense. Provided, that
11 prior to the reinstatement of a license to a person charged with a third or subsequent violation within
12 a three-year (3) period, a hearing shall be held before a judicial officer. At the hearing, the judicial
13 officer shall review the person's driving record, his or her employment history, family background,
14 and any other pertinent factors that would indicate that the person has demonstrated behavior that
15 warrants the reinstatement of their license.

16 (6) For purposes of determining the period of license suspension, a prior violation shall
17 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.

18 (7) In addition to any other fines, a highway safety assessment of five hundred dollars
19 (\$500) shall be paid by any person found in violation of this section, the assessment to be deposited
20 into the general fund. The assessment provided for by this subsection shall be collected from a
21 violator before any other fines authorized by this section.

22 (8) In addition to any other fines and highway safety assessments, a two-hundred-dollar
23 (\$200) assessment shall be paid by any person found in violation of this section to support the
24 department of health's chemical testing programs outlined in §§ 31-27-2(f) and 31-27-2(g), that
25 shall be deposited as general revenues, not restricted receipts.

26 (9) No fines, suspensions, assessments, alcohol or drug treatment programs, course on
27 driving while intoxicated or under the influence of a controlled substance, or public community
28 restitution provided for under this section can be suspended.

29 (10) Implied consent notice for persons eighteen (18) years of age or older: "Rhode Island
30 law requires you to submit to a chemical test of your blood, breath, or urine for the purpose of
31 determining the chemical content of your body fluids or breath. If you refuse this testing, certain
32 penalties can be imposed and include the following: for a first offense, your Rhode Island driver's
33 license or privilege to operate a motor vehicle in this state can be suspended for six (6) months to
34 one year or modified to permit operation in connection with an ignition interlock device for a period

1 specified by law; a fine from two hundred dollars (\$200) to five hundred dollars (\$500) can be
2 imposed; and you can be ordered to perform ten (10) to sixty (60) hours of community service and
3 attend a special course on driving while intoxicated or under the influence of a controlled substance
4 and/or alcohol or drug treatment. If you have had one or more previous offenses within the past
5 five (5) years, your refusal to submit to a chemical test of breath or urine at this time can have
6 criminal penalties, including incarceration up to six (6) months for a second offense and up to one
7 year for a third or subsequent offense, and can carry increased license suspension or ignition
8 interlock period, fines, and community service. All violators shall pay a five hundred dollar (\$500)
9 highway safety assessment fee, a two hundred dollar (\$200) department of health chemical testing
10 programs assessment fee, and a license reinstatement fee. Refusal to submit to a chemical test of
11 blood shall not subject you to criminal penalties for the refusal itself, but if you have one or more
12 previous offenses other civil penalties may increase. You have the right to be examined at your
13 own expense by a physician selected by you. If you submit to a chemical test at this time, you have
14 the right to have an additional chemical test performed at your own expense. You will be afforded
15 a reasonable opportunity to exercise these rights. Access to a telephone will be made available for
16 you to make those arrangements. You may now use a telephone."
17 Use of this implied consent notice shall serve as evidence that a person's consent to a chemical test
18 is valid in a prosecution involving driving under the influence of liquor, controlled substances,
19 and/or drugs.

20 (d) Upon suspending or refusing to issue a license or permit as provided in subsection (a),
21 the traffic tribunal or district court shall immediately notify the person involved in writing, and
22 upon his or her request, within fifteen (15) days, afford the person an opportunity for a hearing as
23 early as practical upon receipt of a request in writing. Upon a hearing, the judge may administer
24 oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books
25 and papers. If the judge finds after the hearing that:

26 (1) The law enforcement officer making the sworn report had reasonable grounds to believe
27 that the arrested person had been driving a motor vehicle within this state while under the influence
28 of intoxicating liquor, toluene, or any controlled substance, as defined in chapter 28 of title 21, or
29 any combination of these;

30 (2) The person, while under arrest, refused to submit to the tests upon the request of a law
31 enforcement officer;

32 (3) The person had been informed of his or her rights in accordance with § 31-27-3; and

33 (4) The person had been informed of the penalties incurred as a result of noncompliance
34 with this section, the judge shall sustain the violation. The judge shall then impose the penalties set

1 forth in subsection (c) of this section. Action by the judge must be taken within seven (7) days after
2 the hearing or it shall be presumed that the judge has refused to issue his or her order of suspension.

3 (e) For the purposes of this section, any test of a sample of blood, breath, or urine for the
4 presence of alcohol that relies, in whole or in part, upon the principle of infrared light absorption is
5 considered a chemical test.

6 (f) If any provision of this section, or the application of any provision, shall, for any reason,
7 be judged invalid, the judgment shall not affect, impair, or invalidate the remainder of the section,
8 but shall be confined in this effect to the provisions or application directly involved in the
9 controversy giving rise to the judgment.

10 **31-27-2.9. Administration of chemical test.**

11 (a) Notwithstanding any provision of § 31-27-2.1, if an individual refuses to consent to a
12 chemical test as provided in § 31-27-2.1, and a peace officer, as defined in § 12-7-21, has probable
13 cause to believe that the individual has violated one or more of the following sections: 31-27-1, 31-
14 27-1.1, 31-27-2.2, or 31-27-2.6 and that the individual was operating a motor vehicle under the
15 influence of any intoxicating liquor, toluene or any controlled substance as defined in chapter 21-
16 28, or any combination thereof, a chemical test may be administered without the consent of that
17 individual provided that the peace officer first obtains a search warrant authorizing administration
18 of the chemical test. The chemical test shall determine the amount of the alcohol or the presence of
19 a controlled substance in that person's blood, [saliva](#) or breath.

20 (b) The chemical test shall be administered in accordance with the methods approved by
21 the director of the department of health as provided for in subdivision 31-27-2(c)(4). The individual
22 shall be afforded the opportunity to have an additional chemical test as established in subdivision
23 31-27-2(c)(6).

24 (c) Notwithstanding any other law to the contrary, including, but not limited to, chapter 5-
25 37.3, any health care provider who, as authorized by the search warrant in subsection (a):

26 (i) Takes a blood, [saliva](#) or breath sample from an individual; or

27 (ii) Performs the chemical test; or

28 (iii) Provides information to a peace officer pursuant to subsection (a) above and who uses
29 reasonable care and accepted medical practices shall not be liable in any civil or criminal
30 proceeding arising from the taking of the sample, from the performance of the chemical test or from
31 the disclosure or release of the test results.

32 (d) The results of a chemical test performed pursuant to this section shall be admissible as
33 competent evidence in any civil or criminal prosecution provided that evidence is presented in

1 compliance with the conditions set forth in subdivisions 31-27-2(c)(3), 31-27-2(c)(4) and 31-27-
2 2(c)(6).

3 (e) All chemical tests administered pursuant to this section shall be audio and video
4 recorded by the law enforcement agency which applied for and was granted the search warrant
5 authorizing the administration of the chemical test.

6 SECTION 8. Sections 44-49-1, 44-49-2, 44-49-4, 44-49-5, 44-49-7, 44-49-8, 44-49-9, 44-
7 49-9.1, 44-49-10, 44-49-11, and 44-49-12 of the General Laws in Chapter 44-49 entitled "Taxation
8 of Marijuana and Controlled Substances" are hereby amended to read as follows:

9 **44-49-1. Short title.**

10 This chapter shall be known as the "~~Marijuana and~~ Controlled Substances Taxation Act".

11 **44-49-2. Definitions.**

12 (a) "Controlled substance" means any drug or substance, whether real or counterfeit, as
13 defined in § 21-28-1.02(8), that is held, possessed, transported, transferred, sold, or offered to be
14 sold in violation of Rhode Island laws. "Controlled substance" does not include marijuana.

15 (b) "Dealer" means a person who in violation of Rhode Island law manufactures, produces,
16 ships, transports, or imports into Rhode Island or in any manner acquires or possesses ~~more than~~
17 ~~forty two and one half (42.5) grams of marijuana, or~~ seven (7) or more grams of any controlled
18 substance, or ten (10) or more dosage units of any controlled substance which is not sold by weight.
19 A quantity of ~~marijuana or~~ a controlled substance is measured by the weight of the substance
20 whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in
21 the dealer's possession. A quantity of a controlled substance is dilute if it consists of a detectable
22 quantity of pure controlled substance and any excipients or fillers.

23 ~~(c) "Marijuana" means any marijuana, whether real or counterfeit, as defined in § 21-28-~~
24 ~~1.02(30), that is held, possessed, transported, transferred, sold, or offered to be sold in violation of~~
25 ~~Rhode Island laws.~~

26 **44-49-4. Rules.**

27 The tax administrator may adopt rules necessary to enforce this chapter. The tax
28 administrator shall adopt a uniform system of providing, affixing, and displaying official stamps,
29 official labels, or other official indicia for ~~marijuana and~~ controlled substances on which a tax is
30 imposed.

31 **44-49-5. Tax payment required for possession.**

32 No dealer may possess any ~~marijuana or~~ controlled substance upon which a tax is imposed
33 under this chapter unless the tax has been paid on ~~the marijuana or~~ a controlled substance as
34 evidenced by a stamp or other official indicia.

1 **44-49-7. Pharmaceuticals.**

2 Nothing in this chapter shall require persons lawfully in possession of ~~marijuana or~~ a
3 controlled substance to pay the tax required under this chapter.

4 **44-49-8. Measurement.**

5 For the purpose of calculating this tax, a quantity of ~~marijuana or~~ a controlled substance is
6 measured by the weight of the substance whether pure or impure or dilute, or by dosage units when
7 the substance is not sold by weight, in the dealer's possession. A quantity of a controlled substance
8 is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or
9 fillers.

10 **44-49-9. Tax rate.**

11 A tax is imposed on ~~marijuana and~~ controlled substances as defined in § 44-49-2 at the
12 following rates:

13 ~~(1) On each gram of marijuana, or each portion of a gram, three dollars and fifty cents~~
14 ~~(\$3.50); and~~

15 ~~(2)~~(1) On each gram of controlled substance, or portion of a gram, two hundred dollars
16 (\$200); or

17 ~~(3)~~(2) On each ten (10) dosage units of a controlled substance that is not sold by weight,
18 or portion of the dosage units, four hundred dollars (\$400).

19 **44-49-9.1. Imposition of tax, interest and liens.**

20 (a) Any law enforcement agency seizing ~~marijuana and/or~~ controlled substances as defined
21 in § 44-49-2 in the quantities set forth in that section shall report to the division of taxation no later
22 than the twenty-fifth (25th) of each month, the amount of all ~~marijuana and~~ controlled substances
23 seized during the previous month and the name and address of each dealer from whom the
24 ~~marijuana and~~ controlled substances were seized.

25 (b) The tax administrator shall assess the dealer for any tax due at the rate provided by §
26 44-49-9. The tax shall be payable within fifteen (15) days after its assessment and, if not paid when
27 due, shall bear interest from the date of its assessment at the rate provided in § 44-1-7 until paid.

28 (c) The tax administrator may file a notice of tax lien upon the real property of the dealer
29 located in this state immediately upon mailing a notice of assessment to the dealer at the address
30 listed in the report of the law enforcement agency. The tax administrator may discharge the lien
31 imposed upon the filing of a bond satisfactory to the tax administrator in an amount equal to the
32 tax, interest and penalty imposed under this chapter.

33 **44-49-10. Penalties – Criminal provisions.**

1 (a) **Penalties.** Any dealer violating this chapter is subject to a penalty of one hundred
2 percent (100%) of the tax in addition to the tax imposed by § 44-49-9. The penalty will be collected
3 as part of the tax.

4 (b) **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed,
5 a dealer distributing or possessing ~~marijuana or~~ controlled substances without affixing the
6 appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be
7 sentenced to imprisonment for not more than five (5) years, or to payment of a fine of not more
8 than ten thousand dollars (\$10,000), or both.

9 (c) **Statute of limitations.** An indictment may be found and filed, or a complaint filed,
10 upon any criminal offense specified in this section, in the proper court within six (6) years after the
11 commission of this offense.

12 **44-49-11. Stamp price.**

13 Official stamps, labels, or other indicia to be affixed to all ~~marijuana or~~ controlled
14 substances shall be purchased from the tax administrator. The purchaser shall pay one hundred
15 percent (100%) of face value for each stamp, label, or other indicia at the time of the purchase.

16 **44-49-12. Payment due.**

17 (a) Stamps affixed. When a dealer purchases, acquires, transports, or imports into this state
18 ~~marijuana or~~ controlled substances on which a tax is imposed by § 44-49-9, and if the indicia
19 evidencing the payment of the tax have not already been affixed, the dealer shall have them
20 permanently affixed on the ~~marijuana or~~ controlled substance immediately after receiving the
21 substance. Each stamp or other official indicia may be used only once.

22 (b) Payable on possession. Taxes imposed upon ~~marijuana or~~ controlled substances by this
23 chapter are due and payable immediately upon acquisition or possession in this state by a dealer.

24 SECTION 9. Title 44 of the General Laws entitled "Taxation" is hereby amended by
25 adding thereto the following chapter:

26 CHAPTER 49.1

27 THE CANNABIS TAXATION ACT

28 **44-49.1-1. Short title.**

29 This chapter shall be known as the "Cannabis Taxation Act."

30 **44-49.1-2. Definitions.**

31 As used in this chapter, unless the context clearly indicates otherwise, the following words
32 and phrases shall have the following meanings:

33 (1) "Adult use marijuana retailer" has the meaning given that term in § 21-28.11-3.

34 (2) "Cannabis" has the meaning given that term in § 21-28.11-3.

1 (3) "Department of business regulation" means the office of cannabis regulation with the
2 department of business regulation or its successor agency.

3 (4) "Licensee" has the same meaning as "marijuana establishment licensee" in § 21-28.11-
4 3.

5 (5) "Marijuana" has the meaning given that term in § 21-28-1.02.

6 (6) Marijuana cash use surcharge account means the restricted receipt account established
7 in the department of revenue to collect penalties on tax payments related to marijuana that are paid
8 in cash.

9 (7) "Marijuana cultivator" means a licensed medical marijuana cultivator as defined in § 21-
10 28.6-3, an adult use marijuana cultivator as defined in § 21-28.11-3, or any other person licensed by
11 the department of business regulation to cultivate marijuana in the state. A marijuana cultivator does
12 not include a primary caregiver or qualifying patients, as defined in 21-28.6-3, who are growing
13 marijuana pursuant to § 21-28.6-4 and in accordance with chapter 28.6 of title 21 and the
14 regulations promulgated thereunder.

15 (8) "Marijuana flower" means the flower or bud from a marijuana plant.

16 (9) "Marijuana products" has the meaning given that term in § 21-28.11-3.

17 (10) "Marijuana trim" means any part of the marijuana plant other than marijuana flower.

18 (11) "Person" means any individual, including an employee or agent, firm, fiduciary,
19 partnership, corporation, trust, or association, however formed.

20 (12) "Tax administrator" means the tax administrator within the division of taxation of the
21 department of revenue as defined in § 44-1-1.

22 **44-49.1-3. Adult use cultivator, retailer licenses required.**

23 Each person engaging in the business of cultivating adult use marijuana or selling adult use
24 marijuana products, shall secure a license from the department of business regulation before
25 engaging in that business, or continuing to engage in it. A separate application and license is
26 required for each place of business operated by the retailer. A licensee shall notify the department
27 of business regulation and tax administrator simultaneously within thirty (30) days in the event that
28 it changes its principal place of business. A separate license is required for each type of business if
29 the applicant is engaged in more than one of the activities required to be licensed by this section.

30 **44-49.1-4. Marijuana cultivator excise tax.**

31 (a) An excise tax is imposed on all marijuana cultivated by marijuana cultivators. The rate
32 of taxation is as follows:

33 (1) Three dollars (\$3.00) for every dried ounce of marijuana trim and a proportionate tax
34 at the like rate on all fractional parts of an ounce thereof, and

1 (2) Ten dollars (\$10.00) for every dried ounce of marijuana flower and a proportionate tax
2 at the like rate on all fractional parts of an ounce thereof.

3 (b) Marijuana trim and marijuana flower that has not reached a dried state will be taxed
4 using equivalent amounts as established by regulations promulgated by the department of taxation
5 and the department of business regulation.

6 (c) The excise tax is assessed and levied upon the sale or transfer of marijuana by a
7 marijuana cultivator to any party or upon the designation of the product for retail sale by the
8 cultivator, whichever occurs earlier.

9 (d) The tax bears interest at the annual rate provided by § 44-1-7 from the twentieth (20th)
10 day after the close of the month for which the amount, or any portion of it, should have been paid
11 until the date of payment.

12 (e) This section is effective as of January 1, 2023.

13 **44-49.1-5. Adult use marijuana retail excise tax.**

14 (a) An excise tax is imposed on all marijuana sold by adult use marijuana retailers pursuant
15 to chapter 28.12 of title 21 at a rate of ten percent (10%) of the gross sales of marijuana products.
16 This excise tax is in addition to all other taxes imposed by title 44. The burden of proving the tax
17 was collected is upon the person who makes the sale and the purchaser, unless the person who
18 makes the sales takes from the purchaser a certificate to the effect that the purchase was for resale.
19 The certificate shall contain any information and be in the form that the tax administrator may
20 require.

21 (b) Any adult use marijuana retailer shall collect the taxes imposed by this section from
22 any purchaser to whom the sale of marijuana products is made and shall remit to the state the tax
23 levied by this section. The retail sale of marijuana products shall not be bundled with any other
24 non-marijuana tangible personal property or taxable services set forth in R.I. Gen. Laws § 44-18-
25 7.3.

26 (c) The adult use marijuana retailer shall add the tax imposed by this chapter to the sale
27 price or charge, and when added the tax constitutes a part of the price or charge, is a debt from the
28 consumer or user to the retailer, and is recoverable at law in the same manner as other debts;
29 provided, that the amount of tax that the retailer collects from the consumer or user is as follows:

30 Amount of Fair Market Value, as Tax

31 <u>\$0.01 to \$.09 inclusive</u>	<u>No Tax</u>
32 <u>.10 to .19 inclusive</u>	<u>.01</u>
33 <u>.20 to .29 inclusive</u>	<u>.02</u>
34 <u>.30 to .39 inclusive</u>	<u>.03</u>

1	<u>.40 to .49 inclusive</u>	<u>.04</u>
2	<u>.50 to .59 inclusive</u>	<u>.05</u>
3	<u>.60 to .69 inclusive</u>	<u>.06</u>
4	<u>.70 to .79 inclusive</u>	<u>.07</u>
5	<u>.80 to .89 inclusive</u>	<u>.08</u>
6	<u>.90 to .99 inclusive</u>	<u>.09</u>
7	<u>.100 to .109 inclusive</u>	<u>.10</u>

8 and where the amount of the sale is more than one dollar and nine cents (\$1.09) the amount
9 of the tax is computed at the rate of ten percent (10%)

10 (d) It shall be deemed a violation of this section for an adult use marijuana retailer to fail
11 to separately state the tax imposed in this section and instead include it in the sale price of marijuana
12 products. The tax levied in this article shall be imposed is in addition to all other taxes imposed by
13 the state, or any municipal corporation or political subdivision of any of the foregoing.

14 (e) The tax bears interest at the annual rate provided by § 44-1-7 from the twentieth (20th)
15 day after the close of the month for which the amount, or any portion of it, should have been paid
16 until the date of payment.

17 **44-49.1-6. Returns.**

18 (a) Every marijuana cultivator shall, on or before the twentieth (20th) day of the month
19 following the sale or transfer of marijuana, make a return to the tax administrator for taxes due
20 under § 44-49.1-4. Marijuana cultivators shall file their returns on a form as prescribed by the tax
21 administrator.

22 (b) Every licensed adult use marijuana retailer shall, on or before the twentieth (20th) day
23 of the month following the sale of marijuana products, make a return to the tax administrator for
24 taxes due under § 44-49.1-5. Adult use marijuana retailers shall file their returns on a form as
25 prescribed by the tax administrator.

26 (c) If for any reason an adult use marijuana retailer fails to collect the tax imposed § 44-
27 49.1-5 from the purchaser, the purchaser shall file a return and pay the tax directly to the state, on
28 or before the date required by subsection (b) of this section.

29 (d) There is created with the general fund a restricted receipt account to be known as the
30 “marijuana cash use surcharge” account. Surcharge collected pursuant to subsection (e) shall be
31 deposited into this account and be used to finance costs associated with processing and handling
32 cash payments and other enforcement related to taxes mandated to be paid under this chapter. The
33 restricted receipt account will be housed within the budget of the department of revenue. All

1 amounts deposited into the marijuana cash use surcharge account shall be exempt from the indirect
2 cost recovery provisions of § 35-4-27.

3 (e) Any licensee who makes a payment in cash for taxes due under this chapter, or taxes
4 due under chapters 18 or 67 of this title, shall pay a ten percent (10%) penalty on the amount of
5 that payment to the division of taxation. Payment of a tax return with less than one thousand dollars
6 (\$1,000) in taxes due per month, on average, shall not be subject to the penalty.

7 (f) Notwithstanding any other provision of law, the department of business regulation and
8 tax administrator may, on a periodic basis, prepare and publish for public distribution a list of
9 entities and their active licenses administered under this chapter. Each list may contain the license
10 type, name of the licensee, and the amount of tax paid under this chapter.

11 **44-49.1-7. Sale of contraband products prohibited.**

12 (a) No person shall sell, offer for sale, display for sale, or possess with intent to sell any
13 contraband marijuana, marijuana products.

14 (b) Any marijuana or marijuana products exchanged in which one of the two entities does
15 not have a license or exchanged between a non-licensed entity and a consumer shall be considered
16 contraband.

17 (c) Any marijuana or marijuana products for which applicable taxes have not been paid as
18 specified in title 44 shall be considered contraband.

19 (d) Failure to comply with the provisions of this chapter may result in the imposition of the
20 applicable civil penalties in Section 44-49.1-12 below; however, the possession of marijuana or
21 marijuana products as described in this chapter do not constitute contraband for purposes of
22 imposing a criminal penalty under chapter 28 of title 21.

23 **44-49.1-8. Recordkeeping.**

24 (a) Each licensee shall maintain copies of invoices or equivalent documentation for, or
25 itemized for, each of its facilities for each involving the sale or transfer of marijuana or marijuana
26 products. All records and invoices required under this section must be safely preserved for three
27 (3) years in a manner to insure permanency and accessibility for inspection by the administrator or
28 his or her authorized agents.

29 (b) Records required under this section shall be preserved on the premises described in the
30 relevant license in such a manner as to ensure permanency and accessibility for inspection at
31 reasonable hours by authorized personnel of the administrator. With the tax administrator's
32 permission, persons with multiple places of business may retain centralized records but shall
33 transmit duplicates of the invoices or the equivalent documentation to each place of business within
34 twenty-four (24) hours upon the request of the administrator or his or her designee.

1 (c) Any person who fails to submit the reports required in this chapter or by the tax
2 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
3 refuses to permit the tax administrator or his or her authorized agent to examine any books, records,
4 papers, or stocks of marijuana or marijuana products as provided in this chapter, or who refuses to
5 supply the tax administrator with any other information which the tax administrator requests for
6 the reasonable and proper enforcement of the provisions of this chapter, shall be guilty of a
7 misdemeanor punishable by imprisonment up to one (1) year, or a fine of not more than five
8 thousand dollars (\$5,000), or both, for the first offense, and for each subsequent offense, shall be
9 fined not more than ten thousand dollars (\$10,000), or be imprisoned not more than five (5) years,
10 or both.

11 **44-49.1-9. Inspections and investigations.**

12 (a) The tax administrator or his or her duly authorized agent shall have authority to enter
13 and inspect, without a warrant during normal business hours, and with a warrant during nonbusiness
14 hours, the facilities and records of any licensee.

15 (b) In any case where the administrator or his or her duly authorized agent, or any police
16 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is transporting
17 marijuana or marijuana products in violation of this chapter, the administrator, such agent, or such
18 police officer, is authorized to stop such vehicle and to inspect the same for contraband marijuana
19 or marijuana products.

20 (c) For the purpose of determining the correctness of any return, determining the amount
21 of tax that should have been paid, determining whether or not the licensee should have made a
22 return or paid taxes, or collecting any taxes under this chapter, the tax administrator may examine,
23 or cause to be examined, any books, papers, records, or memoranda, that may be relevant to making
24 those determinations, whether the books, papers, records, or memoranda, are the property of or in
25 the possession of the licensee or another person. The tax administrator may require the attendance
26 of any person having knowledge or information that may be relevant, compel the production of
27 books, papers, records, or memoranda by persons required to attend, take testimony on matters
28 material to the determination, and administer oaths or affirmations. Upon demand of the tax
29 administrator or any examiner or investigator, the court administrator of any court shall issue a
30 subpoena for the attendance of a witness or the production of books, papers, records, and
31 memoranda. The tax administrator may also issue subpoenas. Disobedience of subpoenas issued
32 under this chapter is punishable by the superior court of the district in which the subpoena is issued,
33 or, if the subpoena is issued by the tax administrator, by the superior court of the county in which
34 the party served with the subpoena is located, in the same manner as contempt of superior court.

1 **44-49.1-10. Suspension or revocation of license.**

2 The tax administrator may instruct the department of business regulation to, and upon such
3 instruction the department shall be authorized to suspend or revoke any license under this chapter
4 for failure of the licensee to comply with any provision of this chapter or with any provision of any
5 other law or ordinance relative to the sale or transfer of marijuana or marijuana products.

6 **44-49.1-11. Seizure and destruction.**

7 Any marijuana or marijuana products found in violation of this chapter shall be declared
8 to be contraband goods and may be seized by the tax administrator, his or her agents, or employees,
9 or by any deputy sheriff, or police officer when directed by the tax administrator to do so, without
10 a warrant. For the purposes of seizing and destroying contraband marijuana, employees of the
11 department of business regulation may act as agents of the tax administrator. The seizure and/or
12 destruction of any marijuana or marijuana products under the provisions of this section does not
13 relieve any person from a fine or other penalty for violation of this chapter. The department of
14 business regulation, in conjunction with the tax administrator and the department of public safety,
15 may promulgate rules and regulations for the destruction of contraband goods pursuant to this
16 section.

17 **44-49.1-12. Penalties.**

18 (a) Failure to file tax returns or to pay tax. In the case of failure:

19 (1) To file. The tax return on or before the prescribed date, unless it is shown that the failure
20 is due to reasonable cause and not due to willful neglect, an addition to tax shall be made equal to
21 ten percent (10%) of the tax required to be reported. For this purpose, the amount of tax required
22 to be reported shall be reduced by an amount of the tax paid on or before the date prescribed for
23 payment and by the amount of any credit against the tax which may properly be claimed upon the
24 return.

25 (2) To pay. The amount shown as tax on the return on or before the prescribed date for
26 payment of the tax unless it is shown that the failure is due to reasonable cause and not due to
27 willful neglect, there shall be added to the amount shown as tax on the return ten percent (10%) of
28 the amount of the tax.

29 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of
30 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to
31 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

32 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of the
33 deficiency shall be added to the tax. This amount shall be in lieu of any other additional amounts
34 imposed by subsections (a) and (b) of this section.

1 (d) Failure to collect and pay over tax. Any person required to collect, truthfully account
2 for, and pay over any tax under this title who willfully fails to collect the tax or truthfully account
3 for and pay over the tax or willfully attempts in any manner to evade or defeat the tax or the payment
4 thereof, shall, in addition to other penalties provided by law, be liable to a civil penalty equal to the
5 total amount of the tax evaded, or not collected, or not accounted for and paid over.

6 (e) Additions and penalties treated as tax. The additions to the tax and civil penalties
7 provided by this section shall be paid upon notice and demand and shall be assessed, collected, and
8 paid in the same manner as taxes.

9 (f) Bad checks. If any check or money order in payment of any amount receivable under
10 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as
11 a penalty by the person who tendered the check, upon notice and demand by the tax administrator
12 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the amount
13 of the check, except that if the amount of the check is less than five hundred dollars (\$500), the
14 penalty under this section shall be five dollars (\$5.00). This subsection shall not apply if the person
15 tendered the check in good faith and with reasonable cause to believe that it would be duly paid.

16 (g) Misuse of Trust Funds. Any retailer and any officer, agent, servant, or employee of any
17 corporate retailer responsible for either the collection or payment of the tax, who appropriates or
18 converts the tax collected to his or her own use or to any use other than the payment of the tax to
19 the extent that the money required to be collected is not available for payment on the due date as
20 prescribed in this chapter, shall upon conviction for each offense be fined not more than ten
21 thousand dollars (\$10,000), or be imprisoned for one year, or by both fine and imprisonment, both
22 fine and imprisonment to be in addition to any other penalty provided by this chapter.

23 (h) Whoever fails to pay any tax imposed by § 44-49.1-4 or § 44-49.1-5 at the time
24 prescribed by law or regulations, shall, in addition to any other penalty provided in this chapter, be
25 liable for a penalty of one thousand dollars (\$1,000) or not more than five (5) times the tax due but
26 unpaid, whichever is greater.

27 (i) When determining the amount of a penalty sought or imposed under this section,
28 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
29 considered.

30 **44-49.1-13. Claim for refund.**

31 Whenever the tax administrator determines that any person is entitled to a refund of any
32 moneys paid by a person under the provisions of this chapter, or whenever a court of competent
33 jurisdiction orders a refund of any moneys paid, the general treasurer shall, upon certification by
34 the tax administrator and with the approval of the director of revenue, pay the refund from any

1 moneys in the treasury not appropriated without any further act or resolution making appropriation
2 for the refund. No refund is allowed unless a claim is filed with the tax administrator within three
3 (3) years from the fifteenth (15th) day after the close of the month for which the overpayment was
4 made.

5 **44-49.1-14. Hearings and appeals.**

6 (a) Any person aggrieved by any action under this chapter of the tax administrator or his
7 or her authorized agent for which a hearing is not elsewhere provided may apply to the tax
8 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons why
9 the hearing should be granted and the manner of relief sought. The tax administrator shall notify
10 the applicant of the time and place fixed for the hearing. After the hearing, the tax administrator
11 may make the order in the premises as may appear to the tax administrator just and lawful and shall
12 furnish a copy of the order to the applicant. The tax administrator may, by notice in writing, at any
13 time, order a hearing on his or her own initiative and require the licensee or any other individual
14 whom the tax administrator believes to be in possession of information concerning any growing,
15 processing, distribution, sales, or transfer of cannabis products to appear before the tax
16 administrator or his or her authorized agent with any specific books of account, papers, or other
17 documents, for examination relative to the hearing.

18 (b) Appeals from administrative orders or decisions made pursuant to any provisions of
19 this chapter shall be to the sixth division district court pursuant to chapter 8 of title 8. The taxpayer's
20 right to appeal under this section shall be expressly made conditional upon prepayment of all taxes,
21 interest, and penalties, unless the taxpayer moves for and is granted an exemption from the
22 prepayment requirement pursuant to § 8-8-26.

23 **44-49.1-15. Disclosure of information to the office of cannabis regulation.**

24 Notwithstanding any other provision of law, the tax administrator may make available to
25 an officer or employee of the office of cannabis regulation of the Rhode Island department of
26 business regulation, any information that the administrator may consider proper contained in tax
27 reports or returns or any audit or the report of any investigation made with respect to them, filed
28 pursuant to the tax laws of this state, to whom disclosure is necessary for the purpose of ensuring
29 compliance with state law and regulations.

30 **44-49.1-16. Transfer of revenue to the marijuana trust fund.**

31 (a) The division of taxation shall transfer all collections from marijuana cultivator excise
32 tax and the adult use marijuana retail excise tax, including penalties or forfeitures, interest, costs of
33 suit and fines, to the marijuana trust fund established by § 21-28.12-16.

1 (b) The division of taxation shall transfer all collections remitted by adult use marijuana
2 retailers pursuant to § 44-18-18 due to the net revenue of marijuana products. The tax administrator
3 may base this transfer on an estimate of the net revenue of marijuana products derived from any
4 other tax data collected under title 44 or data shared by the department of business regulation.

5 **44-49.1-17. Rules and regulations.**

6 The tax administrator is authorized to promulgate rules and regulations to carry out the
7 provisions, policies, and purposes of this chapter. The provisions of this chapter shall be liberally
8 construed to foster the enforcement of and compliance with all provisions herein related to taxation.

9 **44-49.1-18. Severability.**

10 If any provision of this chapter or the application of this chapter to any person or
11 circumstances is held invalid, that invalidity shall not affect other provisions or applications of the
12 chapter that can be given effect without the invalid provision or application, and to this end the
13 provisions of this chapter are declared to be severable.

14 SECTION 10. This Article shall take effect upon passage.

1 **ARTICLE 12**

2 **RELATING TO MEDICAL ASSISTANCE**

3 SECTION 1. Sections 12-1.6-1 and 12-1.6-2 of the General Laws in Chapter 12-1.6 entitled
4 “National Criminal Records Check System” are hereby amended to read as follows:

5 **12-1.6-1. Automated fingerprint identification system database.**

6 The department of attorney general may establish and maintain an automated fingerprint
7 identification system database that would allow the department to store and maintain all fingerprints
8 submitted in accordance with the national criminal records check system. The automated
9 fingerprint identification system database would provide for an automatic notification if, and when,
10 a subsequent criminal arrest fingerprint card is submitted to the system that matches a set of
11 fingerprints previously submitted in accordance with a national criminal records check. If the
12 aforementioned arrest results in a conviction, the department shall immediately notify those
13 individuals and entities with which that individual is associated and who are required to be notified
14 of disqualifying information concerning national criminal records checks as provided in chapters
15 17, 17.4, 17.7.1 of title 23 or § 23-1-52 [and 42-7.2 of title 42 or §§ 42-7.2-18.2 and 42-7.2-18.4.](#)
16 The information in the database established under this section is confidential and not subject to
17 disclosure under chapter 38-2.

18 **12-1.6-2. Long-term healthcare workers, [high-risk medicaid providers, and personal](#)**
19 **[care attendants.](#)**

20 The department of attorney general shall maintain an electronic, web-based system to assist
21 facilities, licensed under chapters 17, 17.4, 17.7.1 of title 23 or § 23-1-52, [and the executive office](#)
22 [of health and human services under §§ 42-7.2-18.1 and 42-7.2-18.3,](#) required to check relevant
23 registries and conduct national criminal records checks of routine contact patient employees, ~~;~~
24 [personal care attendants and high-risk providers.](#) The department of attorney general shall provide
25 for an automated notice, as authorized in § 12-1.6-1, to those facilities [or to the executive office of](#)
26 [health and human services](#) if a routine-contact patient employee, [personal care attendant or high-](#)
27 [risk provider](#) is subsequently convicted of a disqualifying offense, as described in the relevant
28 licensing statute [or in §§ 42-7.2-18.2 and 42-7.2-18.4.](#) The department of attorney general may
29 charge a facility a one-time, set-up fee of up to one hundred dollars (\$100) for access to the
30 electronic web-based system under this section.

31 SECTION 2. Section 42-7.2-18 of Chapter 42-7.2 the General Laws entitled “Office of
32 Health and Human Services” is hereby amended by adding thereto the following sections:

33 **[42-7.2-18.1. Professional responsibility – Criminal records check for high- risk](#)**
34 **[providers.](#)**

1 (a) As a condition of enrollment and/or continued participation as a Medicaid provider,
2 applicants to become and/or remain a provider shall be required to undergo criminal records checks
3 including a national criminal records check supported by fingerprints by the level of screening
4 based on risk of fraud, waste or abuse as determined by the executive office of health and human
5 services for that category of Medicaid provider.

6 (b) Establishment of Risk Categories – The executive office of health and human services
7 in consultation with the department of attorney general, shall establish through regulation, risk
8 categories for Medicaid providers and provider categories who pose an increased financial risk of
9 fraud, waste or abuse to the Medicaid/CHIP program, in accordance with § 42 CFR §§ 455.434 and
10 455.450.

11 (c) High risk categories, as determined by the executive office health and human services
12 may include:

13 (1) Newly enrolled home health agencies that have not been medicare certified;

14 (2) Newly enrolled durable medical equipment providers;

15 (3) New or revalidating providers that have been categorized by the executive office of
16 health and human services as high risk;

17 (4) New or revalidating providers with payment suspension histories;

18 (5) New or revalidating providers with office of inspector general exclusion histories;

19 (6) New or revalidating providers with qualified overpayment histories; and,

20 (7) New or revalidating providers applying for enrollment post debarment or moratorium
21 (Federal or State-based)

22 (d) Upon the state Medicaid agency determination that a provider or an applicant to become
23 a provider, or a person with a five percent (5%) or more direct or indirect ownership interest in the
24 provider, meets the executive office of health and human services' criteria for criminal records
25 checks as a “high” risk to the Medicaid program, the executive office of health and human services
26 shall require that each such provider or applicant to become a provider undergo a national criminal
27 records check supported by fingerprints.

28 (e) The executive office of health and human services shall require such a “high risk”
29 Medicaid provider or applicant to become a provider, or any person with a five percent (5%) or
30 more direct or indirect ownership interest in the provider, to submit to a national criminal records
31 check supported by fingerprints within thirty (30) days upon request from the Centers for Medicare
32 and Medicaid or the executive office of health and human services.

33 (f) The Medicaid providers requiring the national criminal records check shall apply to the
34 department of attorney general, bureau of criminal identification (BCI) to be fingerprinted. The

1 fingerprints will subsequently be transmitted to the federal bureau of investigation for a national
2 criminal records check. The results of the national criminal records check shall be made available
3 to the applicant undergoing a record check and submitting fingerprints.

4 (g) Upon the discovery of any disqualifying information, as defined in § 42-7.2-18.2 and
5 as in accordance with the regulations promulgated by the executive office of health and human
6 services, the bureau of criminal identification of the department of the attorney general will inform
7 the applicant, in writing, of the nature of the disqualifying information; and, without disclosing the
8 nature of the disqualifying information, will notify the executive office of health and human
9 services, in writing, that disqualifying information has been discovered.

10 (h) In those situations, in which no disqualifying information has been found, the bureau
11 of criminal identification of the department of the attorney general shall inform the applicant and
12 the executive office of health and human services, in writing, of this fact.

13 (i) The applicant shall be responsible for the cost of conducting the national criminal
14 records check through the bureau of criminal identification of the department of attorney general.

15 **42-7.2-18.2. Professional responsibility – Criminal records check disqualifying**
16 **information for high-risk providers.**

17 (a) Information produced by a national criminal records check pertaining to conviction, for
18 the following crimes will result in a letter to the executive office of health and human services,
19 disqualifying the applicant from being a medicaid provider: murder, voluntary manslaughter,
20 involuntary manslaughter, first degree sexual assault, second degree sexual assault, third degree
21 sexual assault, assault on persons sixty (60) years of age or older, assault with intent to commit
22 specified felonies (murder, robbery, rape, burglary, or the abominable and detestable crime against
23 nature) felony assault, patient abuse, neglect or mistreatment of patients, burglary, first degree
24 arson, robbery, felony drug offenses, felony larceny, or felony banking law violations, felony
25 obtaining money under false pretenses, felony embezzlement, abuse, neglect and/or exploitation of
26 adults with severe impairments, exploitation of elders, or a crime under section 1128 (a) of the
27 Social Security Act (42 U.S.C. 1320a-7(a)). An applicant against whom disqualifying information
28 has been found, for purposes of appeal, may provide a copy of the national criminal records check
29 to the executive office of health and human services, who shall make a judgment regarding the
30 approval of or the continued status of that person as a provider.

31 (b) For purposes of this section, “conviction” means, in addition to judgments of conviction
32 entered by a court subsequent to a finding of guilty or a plea of guilty, those instances where the
33 defendant has entered a plea of nolo contendere and has received a sentence of probation and those

1 instances where a defendant has entered into a deferred sentence agreement with the attorney
2 general.

3 **42-7.2-18.3. Professional responsibility – Criminal records check for personal care**
4 **aides.**

5 (a) Any person seeking employment to provide care to elderly or individuals with
6 disabilities who is, or may be required to be, licensed, registered, trained or certified with
7 the office of medicaid if that employment involves routine contact with elderly or
8 individuals with disabilities without the presence of other employees, shall undergo a
9 national criminal records check supported by fingerprints. The applicant will report to the
10 office of attorney general, bureau of criminal identification to submit their fingerprints.
11 The fingerprints will subsequently be submitted to the federal bureau of investigation (FBI)
12 by the bureau of criminal identification of the office of attorney general. The national
13 criminal records check shall be initiated prior to, or within one week of, employment.

14 (b) The director of the office of medicaid may, by rule, identify those positions
15 requiring criminal records checks. The identified employee, through the executive office
16 of health and human services, shall apply to the bureau of criminal identification of the
17 department of attorney general for a national criminal records check. Upon the discovery
18 of any disqualifying information, as defined in § 42-7.2-18.4 and in accordance with the
19 rule promulgated by the secretary of the executive office of health and human services, the
20 bureau of criminal identification of the department of the attorney general will inform the
21 applicant, in writing, of the nature of the disqualifying information; and, without disclosing
22 the nature of the disqualifying information, will notify the executive office of health and
23 human services executive office of health and human services in writing, that disqualifying
24 information has been discovered.

25 (c) An applicant against whom disqualifying information has been found, for purposes of
26 appeal, may provide a copy of the national criminal history check to the executive office of health
27 and human services, who shall make a judgment regarding the approval of the applicant.

28 (d) In those situations, in which no disqualifying information has been found, the bureau
29 of criminal identification of the department of the attorney general shall inform the applicant and
30 the executive office health and human services, in writing, of this fact.

31 (e) The executive office of health and human services shall maintain on file
32 evidence that criminal records checks have been initiated on all applicants subsequent to
33 July 1, 2022.

1 (f) The applicant shall be responsible for the cost of conducting the national
2 criminal records check through the bureau of criminal identification of the department of
3 the attorney general.

4 **42-7.2-18.4. Professional responsibility – Criminal records check disqualifying**
5 **information for personal care aides.**

6 (a) Information produced by a national criminal records check pertaining to conviction, for
7 the following crimes will result in a letter to the applicant and the executive office of health and
8 human services , disqualifying the applicant: murder, voluntary manslaughter, involuntary
9 manslaughter, first degree sexual assault, second degree sexual assault, third degree sexual assault,
10 assault on persons sixty (60) years of age or older, assault with intent to commit specified felonies
11 (murder, robbery, rape, burglary, or the abominable and detestable crime against nature) felony
12 assault, patient abuse, neglect or mistreatment of patients, burglary, first degree arson, robbery,
13 felony drug offenses, felony larceny, or felony banking law violations, felony obtaining money
14 under false pretenses, felony embezzlement, abuse, neglect and/or exploitation of adults with severe
15 impairments, exploitation of elders, or a crime under section 1128(a) of the Social Security Act (42
16 U.S.C. 1320a-7(a)).

17 (b) For purposes of this section, “conviction” means, in addition to judgments of conviction
18 entered by a court subsequent to a finding of guilty or a plea of guilty, those instances where the
19 defendant has entered a plea of nolo contendere and has received a sentence of probation and those
20 instances where a defendant has entered into a deferred sentence agreement with the attorney
21 general.

22 SECTION 3. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled “Licensing
23 of Health Care Facilities” is hereby amended to read as follows:

24 **23-17-38.1. Hospitals — Licensing fee.** ~~(a) There is imposed a hospital licensing fee at~~
25 ~~the rate of six percent (6%) upon the net patient services revenue of every hospital for the hospital's~~
26 ~~first fiscal year ending on or after January 1, 2018, except that the license fee for all hospitals~~
27 ~~located in Washington County, Rhode Island shall be discounted by thirty seven percent (37%).~~
28 ~~The discount for Washington County hospitals is subject to approval by the Secretary of the U.S.~~
29 ~~Department of Health and Human Services of a state plan amendment submitted by the executive~~
30 ~~office of health and human services for the purpose of pursuing a waiver of the uniformity~~
31 ~~requirement for the hospital license fee. This licensing fee shall be administered and collected by~~
32 ~~the tax administrator, division of taxation within the department of revenue, and all the~~
33 ~~administration, collection, and other provisions of Chapter 51 of title 44 shall apply. Every hospital~~
34 ~~shall pay the licensing fee to the tax administrator on or before July 13, 2020, and payments shall~~

1 ~~be made by electronic transfer of monies to the general treasurer and deposited to the general fund.~~
2 ~~Every hospital shall, on or before June 15, 2020, make a return to the tax administrator containing~~
3 ~~the correct computation of net patient services revenue for the hospital fiscal year ending~~
4 ~~September 30, 2018, and the licensing fee due upon that amount. All returns shall be signed by the~~
5 ~~hospital's authorized representative, subject to the pains and penalties of perjury.~~

6 (b) (a) There is also imposed a hospital licensing fee for state fiscal year 2021 against each
7 hospital in the state. The hospital licensing fee is equal to five percent (5.0%) of the net patient-
8 services revenue of every hospital for the hospital's first fiscal year ending on or after January 1,
9 2019, except that the license fee for all hospitals located in Washington County, Rhode Island shall
10 be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is
11 subject to approval by the Secretary of the U.S. Department of Health and Human Services of a
12 state plan amendment submitted by the executive office of health and human services for the
13 purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This
14 licensing fee shall be administered and collected by the tax administrator, division of taxation
15 within the department of revenue, and all the administration, collection, and other provisions of
16 Chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator
17 on or before July 13, 2021, and payments shall be made by electronic transfer of monies to the
18 general treasurer and deposited to the general fund. Every hospital shall, on or before June 15,
19 2020, make a return to the tax administrator containing the correct computation of net patient-
20 services revenue for the hospital fiscal year ending September 30, 2019, and the licensing fee due
21 upon that amount. All returns shall be signed by the hospital's authorized representative, subject to
22 the pains and penalties of perjury.

23 (c) (b) There is also imposed a hospital licensing fee for state fiscal year 2022 against each
24 hospital in the state. The hospital licensing fee is equal to five and seven hundred twenty-five
25 thousandths percent (5.725%) of the net patient-services revenue of every hospital for the hospital's
26 first fiscal year ending on or after January 1, 2020, except that the license fee for all hospitals
27 located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%).
28 The discount for Washington County hospitals is subject to approval by the Secretary of the U.S.
29 Department of Health and Human Services of a state plan amendment submitted by the executive
30 office of health and human services for the purpose of pursuing a waiver of the uniformity
31 requirement for the hospital license fee. This licensing fee shall be administered and collected by
32 the tax administrator, division of taxation within the department of revenue, and all the
33 administration, collection, and other provisions of Chapter 51 of title 44 shall apply. Every hospital
34 shall pay the licensing fee to the tax administrator on or before July 13, 2022, and payments shall

1 be made by electronic transfer of monies to the general treasurer and deposited to the general fund.
2 Every hospital shall, on or before June 15, 2022, make a return to the tax administrator containing
3 the correct computation of net patient-services revenue for the hospital fiscal year ending
4 September 30, 2020, and the licensing fee due upon that amount. All returns shall be signed by the
5 hospital's authorized representative, subject to the pains and penalties of perjury.

6 (c) There is also imposed a hospital licensing fee for state fiscal year 2023 against each
7 hospital in the state. The hospital licensing fee is equal to five and seven hundred twenty-five
8 thousandths percent (5.725%) of the net patient-services revenue of every hospital for the hospital's
9 first fiscal year ending on or after January 1, 2020, except that the license fee for all hospitals
10 located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%).
11 The discount for Washington County hospitals is subject to approval by the Secretary of the U.S.
12 Department of Health and Human Services of a state plan amendment submitted by the executive
13 office of health and human services for the purpose of pursuing a waiver of the uniformity
14 requirement for the hospital license fee. This licensing fee shall be administered and collected by
15 the tax administrator, division of taxation within the department of revenue, and all the
16 administration, collection, and other provisions of Chapter 51 of title 44 shall apply. Every hospital
17 shall pay the licensing fee to the tax administrator on or before July 13, 2023, and payments shall
18 be made by electronic transfer of monies to the general treasurer and deposited to the general fund.
19 Every hospital shall, on or before June 15, 2023, make a return to the tax administrator containing
20 the correct computation of net patient-services revenue for the hospital fiscal year ending
21 September 30, 2020, and the licensing fee due upon that amount. All returns shall be signed by the
22 hospital's authorized representative, subject to the pains and penalties of perjury.

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

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

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

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

9 (3) "Net patient-services revenue" means the charges related to patient care services less
10 (i) Charges attributable to charity care; (ii) Bad debt expenses; and (iii) Contractual allowances.

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

14 (f) The licensing fee imposed by subsection ~~(b)~~ (a) shall apply to hospitals as defined herein
15 that are duly licensed on July 1, 2020, and shall be in addition to the inspection fee imposed by §
16 23-17-38 and to any licensing fees previously imposed in accordance with this section.

17 (g) The licensing fee imposed by subsection ~~(e)~~ (b) shall apply to hospitals as defined
18 herein that are duly licensed on July 1, 2021, and shall be in addition to the inspection fee imposed
19 by § 23-17-38 and to any licensing fees previously imposed in accordance with this section.

20 (e) The licensing fee imposed by subsection (c) shall apply to hospitals as defined herein
21 that are duly licensed on July 1, 2022, and shall be in addition to the inspection fee imposed by §
22 23-17-38 and to any licensing fees previously imposed in accordance with this section.

23 SECTION 4. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3 entitled
24 "Uncompensated Care" are hereby amended to read as follows:

25 **40-8.3-2. Definitions.**

26 As used in this chapter:

27 (1) "Base year" means, for the purpose of calculating a disproportionate share payment for
28 any fiscal year ending after September 30, ~~2020~~ 2021, the period from October 1, ~~2018~~ 2019,
29 through September 30, ~~2019~~ 2020, and for any fiscal year ending after September 30, ~~2021~~ 2022,
30 the period from October 1, 2019, through September 30, 2020.

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

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

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

19 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)
20 during the base year; and

21 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
22 the payment year.

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

29 (5) "Uncompensated-care index" means the annual percentage increase for hospitals
30 established pursuant to § 27-19-14 [repealed] for each year after the base year, up to and including
31 the payment year; provided, however, that the uncompensated-care index for the payment year
32 ending September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent (5.38%),
33 and that the uncompensated-care index for the payment year ending September 30, 2008, shall be
34 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated-care

1 index for the payment year ending September 30, 2009, shall be deemed to be five and thirty-eight
2 hundredths percent (5.38%), and that the uncompensated-care index for the payment years ending
3 September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September
4 30, 2014, September 30, 2015, September 30, 2016, September 30, 2017, September 30, 2018,
5 September 30, 2019, September 30, 2020, September 30, 2021, ~~and~~ September 30, 2022, and
6 September 30, 2023 shall be deemed to be five and thirty hundredths percent (5.30%).

7 **40-8.3-3. Implementation.**

8 ~~(a) For federal fiscal year 2020, commencing on October 1, 2019, and ending September~~
9 ~~30, 2020, the executive office of health and human services shall submit to the Secretary of the~~
10 ~~United States Department of Health and Human Services a state plan amendment to the Rhode~~
11 ~~Island Medicaid DSH Plan to provide:~~

12 ~~(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of~~
13 ~~\$142.4 million, shall be allocated by the executive office of health and human services to the Pool~~
14 ~~D component of the DSH Plan; and~~

15 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in direct~~
16 ~~proportion to the individual participating hospital's uncompensated care costs for the base year,~~
17 ~~inflated by the uncompensated care index to the total uncompensated care costs for the base year~~
18 ~~inflated by the uncompensated care index for all participating hospitals. The disproportionate share~~
19 ~~payments shall be made on or before July 13, 2020, and are expressly conditioned upon approval~~
20 ~~on or before July 6, 2020, by the Secretary of the United States Department of Health and Human~~
21 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~
22 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2020 for~~
23 ~~the disproportionate share payments.~~

24 ~~(b)~~ (a) For federal fiscal year 2021, commencing on October 1, 2020, and ending
25 September 30, 2021, the executive office of health and human services shall submit to the Secretary
26 of the United States Department of Health and Human Services a state plan amendment to the
27 Rhode Island Medicaid DSH Plan to provide:

28 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
29 \$142.5 million, shall be allocated by the executive office of health and human services to the Pool
30 D component of the DSH Plan; and

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

1 payments shall be made on or before July 12, 2021, and are expressly conditioned upon approval
2 on or before July 5, 2021, by the Secretary of the United States department of health and human
3 services, or his or her authorized representative, of all Medicaid state plan amendments necessary
4 to secure for the state the benefit of federal financial participation in federal fiscal year 2021 for
5 the disproportionate share payments.

6 ~~(e)~~ (b) For federal fiscal year 2022, commencing on October 1, 2021, and ending
7 September 30, 2022, the executive office of health and human services shall submit to the Secretary
8 of the United States Department of Health and Human Services a state plan amendment to the
9 Rhode Island Medicaid DSH Plan to provide:

10 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
11 ~~\$143.8~~ \$142.5 million, shall be allocated by the executive office of health and human services to
12 the Pool D component of the DSH Plan; and

13 (2) That the Pool D allotment shall be distributed among the participating hospitals in direct
14 proportion to the individual participating hospital's uncompensated-care costs for the base year,
15 inflated by the uncompensated-care index to the total uncompensated-care costs for the base year
16 inflated by the uncompensated-care index for all participating hospitals. The disproportionate share
17 payments shall be made on or before July 12, 2022, and are expressly conditioned upon approval
18 on or before July 5, 2022, by the Secretary of the United States Department of Health and Human
19 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
20 to secure for the state the benefit of federal financial participation in federal fiscal year 2022 for
21 the disproportionate share payments.

22 (c) For federal fiscal year 2023, commencing on October 1, 2022, and ending September
23 30, 2023, the executive office of health and human services shall submit to the Secretary of the
24 United States Department of Health and Human Services a state plan amendment to the Rhode
25 Island Medicaid DSH Plan to provide:

26 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
27 \$142.5 million, shall be allocated by the executive office of health and human services to the Pool
28 D component of the DSH Plan; and

29 (2) That the Pool D allotment shall be distributed among the participating hospitals in direct
30 proportion to the individual participating hospital's uncompensated-care costs for the base year,
31 inflated by the uncompensated-care index to the total uncompensated-care costs for the base year
32 inflated by the uncompensated-care index for all participating hospitals. The disproportionate share
33 payments shall be made on or before July 12, 2023, and are expressly conditioned upon approval
34 on or before July 5, 2023, by the Secretary of the United States Department of Health and Human

1 [Services, or his or her authorized representative, of all Medicaid state plan amendments necessary](#)
2 [to secure for the state the benefit of federal financial participation in federal fiscal year 2023 for](#)
3 [the disproportionate share payments.](#)

4 (d) No provision is made pursuant to this chapter for disproportionate-share hospital
5 payments to participating hospitals for uncompensated-care costs related to graduate medical
6 education programs.

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

10 (f) [Deleted by P.L. 2019, ch. 88, art. 13, § 6.]

11 SECTION 5. Section 40-8.19 of the General Laws in Chapter 40-8 entitled "Medical
12 Assistance" is hereby amended to read as follows:

13 **40-8-19. Rates of payment to nursing facilities.**

14 (a) **Rate reform.**

15 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of
16 title 23, and certified to participate in Title XIX of the Social Security Act for services rendered to
17 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs that must be
18 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. §
19 1396a(a)(13). The executive office of health and human services ("executive office") shall
20 promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1,
21 2011, to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq.,
22 of the Social Security Act.

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

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

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

31 (iii) A rerearray of costs for all facilities every three (3) years beginning October, 2015, that
32 may or may not result in automatic per diem revisions;

33 (iv) Application of a fair-rental value system;

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

1 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
2 index to be applied on October 1 of each year, beginning October 1, 2012. This adjustment will not
3 occur on October 1, 2013, October 1, 2014, or October 1, 2015, but will occur on April 1, 2015.
4 The adjustment of rates will also not occur on October 1, 2017, October 1, 2018, ~~and~~ October 1,
5 2019, and October 2022. Effective July 1, 2018, rates paid to nursing facilities from the rates
6 approved by the Centers for Medicare and Medicaid Services and in effect on October 1, 2017,
7 both fee-for-service and managed care, will be increased by one and one-half percent (1.5%) and
8 further increased by one percent (1%) on October 1, 2018, and further increased by one percent
9 (1%) on October 1, 2019. Effective October 1, 2022, rates paid to nursing facilities from the rates
10 approved by the Centers for Medicare and Medicaid Services and in effect on October 1, 2021,
11 both fee-for-service and managed care, will be increased by three percent (3%). In addition to the
12 annual nursing home inflation index adjustment, there shall be a base rate staffing adjustment of
13 one-half percent (0.5%) on October 1, 2021, one percent (1.0%) on October 1, 2022, and one and
14 one-half percent (1.5%) on October 1, 2023. The inflation index shall be applied without regard for
15 the transition factors in subsections (b)(1) and (b)(2). For purposes of October 1, 2016, adjustment
16 only, any rate increase that results from application of the inflation index to subsections (a)(2)(i)
17 and (a)(2)(ii) shall be dedicated to increase compensation for direct-care workers in the following
18 manner: Not less than 85% of this aggregate amount shall be expended to fund an increase in wages,
19 benefits, or related employer costs of direct-care staff of nursing homes. For purposes of this
20 section, direct-care staff shall include registered nurses (RNs), licensed practical nurses (LPNs),
21 certified nursing assistants (CNAs), certified medical technicians, housekeeping staff, laundry staff,
22 dietary staff, or other similar employees providing direct-care services; provided, however, that this
23 definition of direct-care staff shall not include: (i) RNs and LPNs who are classified as "exempt
24 employees" under the federal Fair Labor Standards Act (29 U.S.C. § 201 et seq.); or (ii) CNAs,
25 certified medical technicians, RNs, or LPNs who are contracted, or subcontracted, through a third-
26 party vendor or staffing agency. By July 31, 2017, nursing facilities shall submit to the secretary,
27 or designee, a certification that they have complied with the provisions of this subsection (a)(2)(vi)
28 with respect to the inflation index applied on October 1, 2016. Any facility that does not comply
29 with terms of such certification shall be subjected to a clawback, paid by the nursing facility to the
30 state, in the amount of increased reimbursement subject to this provision that was not expended in
31 compliance with that certification.

32 (3) Commencing on October 1, 2021, eighty percent (80%) of any rate increase that results
33 from application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii) of this section shall be

1 dedicated to increase compensation for all eligible direct-care workers in the following manner on
2 October 1, of each year.

3 (i) For purposes of this subsection, compensation increases shall include base salary or
4 hourly wage increases, benefits, other compensation, and associated payroll tax increases for
5 eligible direct-care workers. This application of the inflation index shall apply for Medicaid
6 reimbursement in nursing facilities for both managed care and fee-for-service. For purposes of this
7 subsection, direct-care staff shall include registered nurses (RNs), licensed practical nurses (LPNs),
8 certified nursing assistants (CNAs), certified medication technicians, licensed physical therapists,
9 licensed occupational therapists, licensed speech-language pathologists, mental health workers
10 who are also certified nurse assistants, physical therapist assistants, housekeeping staff, laundry
11 staff, dietary staff or other similar employees providing direct-care services; provided, however
12 that this definition of direct-care staff shall not include:

13 (A) RNs and LPNs who are classified as "exempt employees" under the federal Fair Labor
14 Standards Act (29 U.S.C. § 201 et seq.); or

15 (B) CNAs, certified medication technicians, RNs or LPNs who are contracted or
16 subcontracted through a third-party vendor or staffing agency.

17 (4) (i) By July 31, 2021, and July 31 of each year thereafter, nursing facilities shall submit
18 to the secretary or designee a certification that they have complied with the provisions of subsection
19 (a)(3) of this section with respect to the inflation index applied on October 1. The executive office
20 of health and human services (EOHHS) shall create the certification form nursing facilities must
21 complete with information on how each individual eligible employee's compensation increased,
22 including information regarding hourly wages prior to the increase and after the compensation
23 increase, hours paid after the compensation increase, and associated increased payroll taxes. A
24 collective bargaining agreement can be used in lieu of the certification form for represented
25 employees. All data reported on the compliance form is subject to review and audit by EOHHS.
26 The audits may include field or desk audits, and facilities may be required to provide additional
27 supporting documents including, but not limited to, payroll records.

28 (ii) Any facility that does not comply with the terms of certification shall be subjected to a
29 clawback and twenty-five percent (25%) penalty of the unspent or impermissibly spent funds, paid
30 by the nursing facility to the state, in the amount of increased reimbursement subject to this
31 provision that was not expended in compliance with that certification.

32 (iii) In any calendar year where no inflationary index is applied, eighty percent (80%) of
33 the base rate staffing adjustment in that calendar year pursuant to subsection (a)(2)(vi) of this

1 section shall be dedicated to increase compensation for all eligible direct-care workers in the
2 manner referenced in subsections (a)(3)(i), (a)(3)(i)(A), and (a)(3)(i)(B) of this section.

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

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

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

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

20 (4) Notwithstanding any law to the contrary, for the twelve-month (12) period beginning
21 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section shall
22 not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015. Consistent with the
23 other provisions of this chapter, nothing in this provision shall require the executive office to restore
24 the rates to those in effect on April 1, 2015, at the end of this twelve-month (12) period.

25 SECTION 6. Section 40-8.9-4 of the General Laws in Chapter 40-8.9 entitled “Medical
26 Assistance — Long-Term Care Service and Finance Reform” is hereby amended to read as follows:

27 **40-8.9-4. Unified long-term care budget.**

28 Beginning on July 1, 2007, [but not including state fiscal year 2023](#), a unified long-term-care
29 budget shall combine in a single, line-item appropriation within the executive office of health and
30 human services (executive office), annual executive office Medicaid appropriations for nursing
31 facility and community-based, long-term-care services for elderly sixty-five (65) years and older
32 and younger persons at risk of nursing home admissions (including adult day care, home health,
33 PACE, and personal care in assisted-living settings). Beginning on July 1, 2007, [but not including](#)
34 [state fiscal year 2023](#), the total system savings attributable to the value of the reduction in nursing

1 home days including hospice nursing home days paid for by Medicaid shall be allocated in the
2 budget enacted by the general assembly for the ensuing fiscal year for the express purpose of
3 promoting and strengthening community-based alternatives; provided, further, beginning July 1,
4 2009, but not including state fiscal year 2023, said savings shall be allocated within the budgets
5 of the executive office and, as appropriate, the department of human services, office of healthy
6 aging. The allocation shall include, but not be limited to, funds to support an ongoing, statewide
7 community education and outreach program to provide the public with information on home and
8 community services and the establishment of presumptive eligibility criteria for the purposes of
9 accessing home and community care. Notwithstanding the foregoing, for state fiscal year 2023,
10 enhanced federal medical assistance percentage funding provided through the American Rescue
11 Plan Act (ARPA) specifically for enhancement and expansion of home and community-based
12 (HCBS) services, may be used to satisfy the total system savings reallocation to strengthening
13 community-based alternatives and funding requirements of this section. The home- and
14 community-care service presumptive eligibility criteria shall be developed through rule or
15 regulation on or before September 30, 2007. The allocation may also be used to fund home and
16 community services provided by the office of healthy aging for persons eligible for Medicaid
17 long-term care, and the co-pay program administered pursuant to chapter 66.3 of title 42. Any
18 monies in the allocation that remain unexpended in a fiscal year shall be carried forward to the
19 next fiscal year for the express purpose of strengthening community-based alternatives.

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

27 SECTION 7. Sections 42-12.3-3, 42-12.3-4 and 42-12.3-15 of the General Laws in Chapter
28 42-12.3 “Health Care for Children and Pregnant Women” are hereby amended to read as follows:

29 **42-12.3-3. Medical assistance expansion for pregnant women/RItE Start.**

30 (a) The ~~director of the department of human services~~ secretary of the executive office of
31 health and human services is authorized to amend its Title XIX state plan pursuant to Title XIX of
32 the Social Security Act to provide Medicaid coverage and to amend its Title XXI state plan pursuant
33 to Title XXI of the Social Security Act to provide medical assistance coverage through expanded
34 family income disregards for pregnant women whose family income levels are between one

1 hundred eighty-five percent (185%) and two hundred fifty percent (250%) of the federal poverty
2 level. The department is further authorized to promulgate any regulations necessary and in accord
3 with Title XIX [42 U.S.C. § 1396 et seq.] and Title XXI [42 U.S.C. § 1397aa et seq.] of the Social
4 Security Act necessary in order to implement said state plan amendment. The services provided
5 shall be in accord with Title XIX [42 U.S.C. § 1396 et seq.] and Title XXI [42 U.S.C. § 1397aa
6 et seq.] of the Social Security Act.

7 (b) The ~~director of the department of human services~~ secretary of health and human
8 services is authorized and directed to establish a payor of last resort program to cover prenatal,
9 delivery and postpartum care. The program shall cover the cost of maternity care for any woman
10 who lacks health insurance coverage for maternity care and who is not eligible for medical
11 assistance under Title XIX [42 U.S.C. § 1396 et seq.] and Title XXI [42 U.S.C. § 1397aa et seq.]
12 of the Social Security Act including, but not limited to, a noncitizen pregnant woman lawfully
13 admitted for permanent residence on or after August 22, 1996, without regard to the availability of
14 federal financial participation, provided such pregnant woman satisfies all other eligibility
15 requirements. The ~~director~~ secretary shall promulgate regulations to implement this program. Such
16 regulations shall include specific eligibility criteria; the scope of services to be covered; procedures
17 for administration and service delivery; referrals for non-covered services; outreach; and public
18 education. Excluded services under this subsection will include, but not be limited to, induced
19 abortion except in cases of rape or incest or to save the life of the pregnant individual.

20 (c) The ~~department of human services~~ secretary of health and human services may enter
21 into cooperative agreements with the department of health and/or other state agencies to provide
22 services to individuals eligible for services under subsections (a) and (b) above.

23 (d) The following services shall be provided through the program:

24 (1) Ante-partum and postpartum care;

25 (2) Delivery;

26 (3) Cesarean section;

27 (4) Newborn hospital care;

28 (5) Inpatient transportation from one hospital to another when authorized by a medical
29 provider; and

30 (6) Prescription medications and laboratory tests.

31 (e) The ~~department of human services~~ secretary of health and human services shall provide
32 enhanced services, as appropriate, to pregnant women as defined in subsections (a) and (b), as well
33 as to other pregnant women eligible for medical assistance. These services shall include: care
34 coordination, nutrition and social service counseling, high risk obstetrical care, childbirth and

1 parenting preparation programs, smoking cessation programs, outpatient counseling for drug-
2 alcohol use, interpreter services, mental health services, and home visitation. The provision of
3 enhanced services is subject to available appropriations. In the event that appropriations are not
4 adequate for the provision of these services, the ~~department~~ executive office has the authority to
5 limit the amount, scope and duration of these enhanced services.

6 (f) The ~~department of human services~~ executive office of health and human services shall
7 provide for extended family planning services for up to twenty-four (24) months postpartum. These
8 services shall be available to women who have been determined eligible for RIte Start or for
9 medical assistance under Title XIX [42 U.S.C. § 1396 et seq.] or Title XXI [42 U.S.C. § 1397aa
10 et seq.] of the Social Security Act.

11 (g) Effective October 1, 2022, individuals eligible for RIte Start pursuant to this section or
12 for medical assistance under Title XIX or Title XXI of the Social Security Act while pregnant
13 (including during a period of retroactive eligibility), are eligible for full Medicaid benefits through
14 the last day of the month in which their twelve (12) month postpartum period ends. This benefit
15 will be provided to eligible Rhode Island residents without regard to the availability of federal
16 financial participation. The executive office of health and human services is directed to ensure that
17 federal financial participation is used to the maximum extent allowable to provide coverage
18 pursuant to this section, and that state-only funds will be used only if federal financial participation
19 is not available.

20 **42-12.3-4. "RIte track" program.**

21 (a) There is hereby established a payor of last resort program for comprehensive health
22 care for children until they reach nineteen (19) years of age, to be known as "RIte track." The
23 ~~department of human services~~ executive office of health and human services is hereby authorized
24 to amend its Title XIX state plan pursuant to Title XIX [42 U.S.C. § 1396 et seq.] and Title XXI [
25 42 U.S.C. § 1397aa et seq.] of the Social Security Act as necessary to provide for expanded
26 Medicaid coverage through expanded family income disregards for children, until they reach
27 nineteen (19) years of age, whose family income levels are up to two hundred fifty percent (250%)
28 of the federal poverty level. Provided, however, that healthcare coverage provided under this
29 section shall also be provided without regard to the availability of federal financial participation ~~in~~
30 ~~accordance to Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq.,~~ to a noncitizen child
31 who is a resident of Rhode Island ~~lawfully residing in the United States~~, and who is otherwise
32 eligible for such assistance. The department is further authorized to promulgate any regulations
33 necessary, and in accord with Title XIX [42 U.S.C. § 1396 et seq.] and Title XXI [42 U.S.C. §
34 1397aa et seq.] of the Social Security Act as necessary in order to implement the state plan

1 amendment. For those children who lack health insurance, and whose family incomes are in excess
2 of two hundred fifty percent (250%) of the federal poverty level, the department of human services
3 shall promulgate necessary regulations to implement the program. The department of human
4 services is further directed to ascertain and promulgate the scope of services that will be available
5 to those children whose family income exceeds the maximum family income specified in the
6 approved Title XIX [42 U.S.C. § 1396 et seq.] and Title XXI [42 U.S.C. § 1397aa et seq.] state
7 plan amendment.

8 (b) The executive office of health and human services is directed to ensure that federal
9 financial participation is used to the maximum extent allowable to provide coverage pursuant to
10 this section, and that state-only funds will be used only if federal financial participation is not
11 available.

12 **42-12.3-15. Expansion of RIt track program.**

13 (a) The ~~Department of Human Services~~ executive office of health and human services is
14 hereby authorized and directed to submit to the United States Department of Health and Human
15 Services an amendment to the "RIt Care" waiver project number 11-W-0004/1-01 to provide for
16 expanded Medicaid coverage for children until they reach eight (8) years of age, whose family
17 income levels are to two hundred fifty percent (250%) of the federal poverty level. Expansion of
18 the RIt track program from the age of six (6) until they reach eighteen (18) years of age in
19 accordance with this chapter shall be subject to the approval of the amended waiver by the United
20 States Department of Health and Human Services. Healthcare coverage under this section shall also
21 be provided to a noncitizen child ~~lawfully residing in the United States~~ who is a resident of Rhode
22 Island, and who is otherwise eligible for such assistance under Title XIX [42 U.S.C. § 1396 et seq.]
23 or Title XXI [42 U.S.C. § 1397aa et seq.]

24 (b) The executive office of health and human services is directed to ensure that federal
25 financial participation is used to the maximum extent allowable to provide coverage pursuant to
26 this section, and that state-only funds will be used only if federal financial participation is not
27 available.

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

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

31 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws
32 42-12.4-1, et seq.; and

33 WHEREAS, Rhode Island General Laws section 42-7.2-5(3)(i) provides that the Secretary
34 of the Executive Office of Health and Human Services (“Executive Office”) is responsible for the

1 review and coordination of any Medicaid section 1115 demonstration waiver requests and renewals
2 as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category
3 II or III changes as described in the demonstration, “with potential to affect the scope, amount, or
4 duration of publicly-funded health care services, provider payments or reimbursements, or access
5 to or the availability of benefits and services provided by Rhode Island general and public laws”;
6 and

7 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
8 fiscally sound and sustainable, the Secretary requests legislative approval of the following
9 proposals to amend the demonstration; and

10 WHEREAS, implementation of adjustments may require amendments to the Rhode
11 Island’s Medicaid state plan and/or section 1115 waiver under the terms and conditions of the
12 demonstration. Further, adoption of new or amended rules, regulations and procedures may also
13 be required:

14 (a) *Section 1115 Demonstration Waiver – Extension Request.* The Executive Office
15 proposes to seek approval from the federal centers for Medicare and Medicaid services (“CMS”)
16 to extend the Medicaid section 1115 demonstration waiver as authorized in Rhode Island General
17 Laws § 42-12.4. In the Medicaid section 1115 demonstration waiver extension request due to CMS
18 by December 31, 2022, in addition to maintaining existing Medicaid section 1115 demonstration
19 waiver authorities, the Executive Office proposes to seek additional federal authorities including
20 but not limited to promoting choice and community integration.

21 (b) *Meals on Wheels.* The Executive Office proposes an increase to existing fee-for-service
22 and managed care rates to account for growing utilization and rising food and delivery costs.
23 Additionally, the Executive Office of Health and Human Services will offer new Medicaid
24 reimbursement for therapeutic and cultural meals that are specifically tailored to improve health
25 through nutrition, provide post discharge support, and bolster complex care management for those
26 with chronic health conditions. To ensure the continued adequacy of rates, effective July 1, 2022,
27 and annually thereafter, the Executive Office proposes an annual rate increase based on the CPI-U
28 for New England: Food at Home, March release (containing the February data).

29 (c) *American Rescue Act.* The Executive Office proposes to seek approval from CMS for
30 any necessary amendments to the Rhode Island State Plan or the 1115 Demonstration Waiver to
31 implement the spending plan approved by CMS under section 9817 of the American Rescue Plan
32 Act of 2021.

33 (d) *HealthSource RI automatic enrollment:* The Executive Office shall work with
34 HealthSource RI to establish a program for automatically enrolling qualified individuals who lose

1 Medicaid coverage at the end of the COVID-19 Public Health Emergency into Qualified Health
2 Plans (“QHP”). HealthSource RI may use funds available through the American Rescue Plan Act
3 to pay the first month’s premium for individuals who qualify for this program. HealthSource RI
4 may promulgate regulations establishing the scope and parameters of this program.

5 *(e) Increase Nursing Facility Rates.* The Executive Office proposes to increase rates, both
6 fee-for-service and managed care, paid to nursing facilities by three percent (3.0%) on October 1,
7 2022, in lieu of the adjustment of rates by the change in a recognized national home inflation index
8 as defined in § 40-8-19 (2)(vi) and in addition to the one percent (1.0%) increase required for the
9 minimum wage pass through as defined in § 40-8-19 (2)(vi).

10 *(f) Extend Post-Partum Medicaid Coverage.* The Executive Office proposes extending the
11 continuous coverage of full benefit medical assistance from sixty (60) days to twelve (12) months
12 postpartum to women who are (1) not eligible for Medicaid under another Medicaid eligibility
13 category, or (2) do not have qualified immigrant status for Medicaid whose births are financed by
14 Medicaid through coverage of the child and currently only receive state-only extended family
15 planning benefits postpartum.

16 *(g) Extending Medical Coverage to Children Previously Ineligible.* The executive office of
17 health and human services will maximize federal financial participation if and when available,
18 though state-only funds will be used if federal financial participation is not available.

19 *(h) Federal Financing Opportunities.* The Executive Office proposes to review Medicaid
20 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of 2010
21 (PPACA) and various other recently enacted federal laws and pursue any changes in the Rhode
22 Island Medicaid program that promote service quality, access and cost-effectiveness that may
23 warrant a Medicaid state plan amendment or amendment under the terms and conditions of Rhode
24 Island’s section 1115 waiver, its successor, or any extension thereof. Any such actions by the
25 Executive Office shall not have an adverse impact on beneficiaries or cause there to be an increase
26 in expenditures beyond the amount appropriated for state fiscal year 2021.

27 Now, therefore, be it:

28 RESOLVED, that the General Assembly hereby approves the proposals stated above in the
29 recitals; and be it further;

30 RESOLVED, that the Secretary of the Executive Office of Health and Human Services is
31 authorized to pursue and implement any waiver amendments, state plan amendments, and/or
32 changes to the applicable department’s rules, regulations and procedures approved herein and as
33 authorized by 42-12.4; and be it further;

34 RESOLVED, that this Joint Resolution shall take effect upon passage.

1 SECTION 9. Sections 1 – 7 of this Article shall take effect as of July 1, 2022. Section 8
2 shall take effect upon passage.

1 **ARTICLE 13**

2 **RELATING TO HUMAN SERVICES**

3 SECTION 1. Sections 40-5.2-10 and 40-5.2-20 of the General Laws in Chapter 40-5.2
4 entitled "The Rhode Island Works Program" are hereby amended to read as follows:

5 **40-5.2-10. Necessary requirements and conditions.**

6 The following requirements and conditions shall be necessary to establish eligibility for
7 the program.

8 (a) Citizenship, alienage, and residency requirements.

9 (1) A person shall be a resident of the State of Rhode Island.

10 (2) Effective October 1, 2008, a person shall be a United States citizen, or shall meet the
11 alienage requirements established in § 402(b) of the Personal Responsibility and Work Opportunity
12 Reconciliation Act of 1996, PRWORA, Pub. L. No. 104-193 and as that section may hereafter be
13 amended [8 U.S.C. § 1612]; a person who is not a United States citizen and does not meet the
14 alienage requirements established in PRWORA, as amended, is not eligible for cash assistance in
15 accordance with this chapter.

16 (b) The family/assistance unit must meet any other requirements established by the
17 department of human services by rules and regulations adopted pursuant to the Administrative
18 Procedures Act, as necessary to promote the purpose and goals of this chapter.

19 (c) Receipt of cash assistance is conditional upon compliance with all program
20 requirements.

21 (d) All individuals domiciled in this state shall be exempt from the application of
22 subdivision 115(d)(1)(A) of Pub. L. No. 104-193, the Personal Responsibility and Work
23 Opportunity Reconciliation Act of 1996, PRWORA [21 U.S.C. § 862a], which makes any
24 individual ineligible for certain state and federal assistance if that individual has been convicted
25 under federal or state law of any offense that is classified as a felony by the law of the jurisdiction
26 and that has as an element the possession, use, or distribution of a controlled substance as defined
27 in § 102(6) of the Controlled Substances Act (21 U.S.C. § 802(6)).

28 (e) Individual employment plan as a condition of eligibility.

29 (1) Following receipt of an application, the department of human services shall assess the
30 financial conditions of the family, including the non-parent caretaker relative who is applying for
31 cash assistance for himself or herself as well as for the minor child(ren), in the context of an
32 eligibility determination. If a parent or non-parent caretaker relative is unemployed or under-
33 employed, the department shall conduct an initial assessment, taking into account:

1 (A) The physical capacity, skills, education, work experience, health, safety, family
2 responsibilities, and place of residence of the individual; and

3 (B) The child care and supportive services required by the applicant to avail himself or
4 herself of employment opportunities and/or work readiness programs.

5 (2) On the basis of this assessment, the department of human services and the department
6 of labor and training, as appropriate, in consultation with the applicant, shall develop an individual
7 employment plan for the family that requires the individual to participate in the intensive
8 employment services. Intensive employment services shall be defined as the work requirement
9 activities in § 40-5.2-12(g) and (i).

10 (3) The director, or his or her designee, may assign a case manager to an
11 applicant/participant, as appropriate.

12 (4) The department of labor and training and the department of human services in
13 conjunction with the participant shall develop a revised individual employment plan that shall
14 identify employment objectives, taking into consideration factors above, and shall include a
15 strategy for immediate employment and for preparing for, finding, and retaining employment
16 consistent, to the extent practicable, with the individual's career objectives.

17 (5) The individual employment plan must include the provision for the participant to
18 engage in work requirements as outlined in § 40-5.2-12.

19 (6)(i) The participant shall attend and participate immediately in intensive assessment and
20 employment services as the first step in the individual employment plan, unless temporarily exempt
21 from this requirement in accordance with this chapter. Intensive assessment and employment
22 services shall be defined as the work requirement activities in § 40-5.2-12(g) and (i).

23 (ii) Parents under age twenty (20) without a high school diploma or general equivalency
24 diploma (GED) shall be referred to special teen-parent programs that will provide intensive services
25 designed to assist teen parents to complete high school education or GED, and to continue approved
26 work plan activities in accord with Rhode Island works program requirements.

27 (7) The applicant shall become a participant in accordance with this chapter at the time the
28 individual employment plan is signed and entered into.

29 (8) Applicants and participants of the Rhode Island works program shall agree to comply
30 with the terms of the individual employment plan, and shall cooperate fully with the steps
31 established in the individual employment plan, including the work requirements.

32 (9) The department of human services has the authority under the chapter to require
33 attendance by the applicant/participant, either at the department of human services or at the
34 department of labor and training, at appointments deemed necessary for the purpose of having the

1 applicant enter into and become eligible for assistance through the Rhode Island works program.
2 The appointments include, but are not limited to: the initial interview, orientation and assessment;
3 job readiness; and job search. Attendance is required as a condition of eligibility for cash assistance
4 in accordance with rules and regulations established by the department.

5 (10) As a condition of eligibility for assistance pursuant to this chapter, the
6 applicant/participant shall be obligated to keep appointments; attend orientation meetings at the
7 department of human services and/or the Rhode Island department of labor and training; participate
8 in any initial assessments or appraisals; and comply with all the terms of the individual employment
9 plan in accordance with department of human services rules and regulations.

10 (11) A participant, including a parent or non-parent caretaker relative included in the cash
11 assistance payment, shall not voluntarily quit a job or refuse a job unless there is good cause as
12 defined in this chapter or the department's rules and regulations.

13 (12) A participant who voluntarily quits or refuses a job without good cause, as defined in
14 § 40-5.2-12(l), while receiving cash assistance in accordance with this chapter, shall be sanctioned
15 in accordance with rules and regulations promulgated by the department.

16 (f) Resources.

17 (1) The family or assistance unit's countable resources shall be less than the allowable
18 resource limit established by the department in accordance with this chapter.

19 (2) No family or assistance unit shall be eligible for assistance payments if the combined
20 value of its available resources (reduced by any obligations or debts with respect to such resources)
21 exceeds ~~one~~ five thousand dollars ~~(\$1,000)~~ (\$5000).

22 (3) For purposes of this subsection, the following shall not be counted as resources of the
23 family/assistance unit in the determination of eligibility for the works program:

24 (i) The home owned and occupied by a child, parent, relative, or other individual;

25 (ii) Real property owned by a husband and wife as tenants by the entirety, if the property
26 is not the home of the family and if the spouse of the applicant refuses to sell his or her interest in
27 the property;

28 (iii) Real property that the family is making a good faith effort to dispose of, however, any
29 cash assistance payable to the family for any such period shall be conditioned upon such disposal
30 of the real property within six (6) months of the date of application and any payments of assistance
31 for that period shall (at the time of disposal) be considered overpayments to the extent that they
32 would not have occurred at the beginning of the period for which the payments were made. All
33 overpayments are debts subject to recovery in accordance with the provisions of the chapter;

1 (iv) Income-producing property other than real estate including, but not limited to,
2 equipment such as farm tools, carpenter's tools, and vehicles used in the production of goods or
3 services that the department determines are necessary for the family to earn a living;

4 (v) One vehicle for each adult household member, but not to exceed two (2) vehicles per
5 household, and in addition, a vehicle used primarily for income-producing purposes such as, but
6 not limited to, a taxi, truck, or fishing boat; a vehicle used as a family's home; a vehicle that annually
7 produces income consistent with its fair market value, even if only used on a seasonal basis; a
8 vehicle necessary to transport a family member with a disability where the vehicle is specially
9 equipped to meet the specific needs of the person with a disability or if the vehicle is a special type
10 of vehicle that makes it possible to transport the person with a disability;

11 (vi) Household furnishings and appliances, clothing, personal effects, and keepsakes of
12 limited value;

13 (vii) Burial plots (one for each child, relative, and other individual in the assistance unit)
14 and funeral arrangements;

15 (viii) For the month of receipt and the following month, any refund of federal income taxes
16 made to the family by reason of § 32 of the Internal Revenue Code of 1986, 26 U.S.C. § 32 (relating
17 to earned income tax credit), and any payment made to the family by an employer under § 3507 of
18 the Internal Revenue Code of 1986, 26 U.S.C. § 3507 [repealed] (relating to advance payment of
19 such earned income credit);

20 (ix) The resources of any family member receiving supplementary security income
21 assistance under the Social Security Act, 42 U.S.C. § 301 et seq.;

22 (x) Any veteran's disability pension benefits received as a result of any disability sustained
23 by the veteran while in the military service.

24 (g) Income.

25 (1) Except as otherwise provided for herein, in determining eligibility for and the amount
26 of cash assistance to which a family is entitled under this chapter, the income of a family includes
27 all of the money, goods, and services received or actually available to any member of the family.

28 (2) In determining the eligibility for and the amount of cash assistance to which a
29 family/assistance unit is entitled under this chapter, income in any month shall not include the first
30 ~~one~~ three hundred ~~seventy~~ dollars ~~(\$170)~~ (\$300) of gross earnings plus fifty percent (50%) of the
31 gross earnings of the family in excess of ~~one~~ three hundred ~~seventy~~ dollars ~~(\$170)~~ (\$300) earned
32 during the month.

33 (3) The income of a family shall not include:

- 1 (i) The first fifty dollars (\$50.00) in child support received in any month from each
2 noncustodial parent of a child plus any arrearages in child support (to the extent of the first fifty
3 dollars (\$50.00) per month multiplied by the number of months in which the support has been in
4 arrears) that are paid in any month by a noncustodial parent of a child;
- 5 (ii) Earned income of any child;
- 6 (iii) Income received by a family member who is receiving Supplemental Security Income
7 (SSI) assistance under Title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq.;
- 8 (iv) The value of assistance provided by state or federal government or private agencies to
9 meet nutritional needs, including: value of USDA-donated foods; value of supplemental food
10 assistance received under the Child Nutrition Act of 1966, as amended, and the special food service
11 program for children under Title VII, nutrition program for the elderly, of the Older Americans Act
12 of 1965 as amended, and the value of food stamps;
- 13 (v) Value of certain assistance provided to undergraduate students, including any grant or
14 loan for an undergraduate student for educational purposes made or insured under any loan program
15 administered by the United States Commissioner of Education (or the Rhode Island council on
16 postsecondary education or the Rhode Island division of higher education assistance);
- 17 (vi) Foster care payments;
- 18 (vii) Home energy assistance funded by state or federal government or by a nonprofit
19 organization;
- 20 (viii) Payments for supportive services or reimbursement of out-of-pocket expenses made
21 to foster grandparents, senior health aides, or senior companions and to persons serving in SCORE
22 and ACE and any other program under Title II and Title III of the Domestic Volunteer Service Act
23 of 1973, 42 U.S.C. § 5000 et seq.;
- 24 (ix) Payments to volunteers under AmeriCorps VISTA as defined in the department's rules
25 and regulations;
- 26 (x) Certain payments to native Americans; payments distributed per capita to, or held in
27 trust for, members of any Indian Tribe under P.L. 92-254, 25 U.S.C. § 1261 et seq., P.L. 93-134,
28 25 U.S.C. § 1401 et seq., or P.L. 94-540; receipts distributed to members of certain Indian tribes
29 which are referred to in § 5 of P.L. 94-114, 25 U.S.C. § 459d, that became effective October 17,
30 1975;
- 31 (xi) Refund from the federal and state earned income tax credit;
- 32 (xii) The value of any state, local, or federal government rent or housing subsidy, provided
33 that this exclusion shall not limit the reduction in benefits provided for in the payment standard
34 section of this chapter;

1 (xiii) The earned income of any adult family member who gains employment while an
2 active RI Works household member. This income is excluded for the first six (6) months of
3 employment in which the income is earned, or until the household's total gross income exceeds one
4 hundred eighty-five percent (185%) of the federal poverty level, unless the household reaches its
5 forty-eight-month (48) time limit first;

6 (xiv) Any veteran's disability pension benefits received as a result of any disability
7 sustained by the veteran while in the military service.

8 (4) The receipt of a lump sum of income shall affect participants for cash assistance in
9 accordance with rules and regulations promulgated by the department.

10 (h) Time limit on the receipt of cash assistance.

11 (1) On or after January 1, 2020, no cash assistance shall be provided, pursuant to this
12 chapter, to a family or assistance unit that includes an adult member who has received cash
13 assistance for a total of forty-eight (48) months (whether or not consecutive), to include any time
14 receiving any type of cash assistance in any other state or territory of the United States of America
15 as defined herein. Provided further, in no circumstances other than provided for in subsection (h)(3)
16 with respect to certain minor children, shall cash assistance be provided pursuant to this chapter to
17 a family or assistance unit that includes an adult member who has received cash assistance for a
18 total of a lifetime limit of forty-eight (48) months.

19 (2) Cash benefits received by a minor dependent child shall not be counted toward their
20 lifetime time limit for receiving benefits under this chapter should that minor child apply for cash
21 benefits as an adult.

22 (3) Certain minor children not subject to time limit. This section regarding the lifetime time
23 limit for the receipt of cash assistance, shall not apply only in the instances of a minor child(ren)
24 living with a parent who receives SSI benefits and a minor child(ren) living with a responsible adult
25 non-parent caretaker relative who is not in the cash assistance payment.

26 (4) Receipt of family cash assistance in any other state or territory of the United States of
27 America shall be determined by the department of human services and shall include family cash
28 assistance funded in whole or in part by Temporary Assistance for Needy Families (TANF) funds
29 [Title IV-A of the federal Social Security Act, 42 U.S.C. § 601 et seq.] and/or family cash
30 assistance provided under a program similar to the Rhode Island families work and opportunity
31 program or the federal TANF program.

32 (5) (i) The department of human services shall mail a notice to each assistance unit when
33 the assistance unit has six (6) months of cash assistance remaining and each month thereafter until
34 the time limit has expired. The notice must be developed by the department of human services and

1 must contain information about the lifetime time limit, the number of months the participant has
2 remaining, the hardship extension policy, the availability of a post-employment-and-closure bonus;
3 and any other information pertinent to a family or an assistance unit nearing the forty-eight-month
4 (48) lifetime time limit.

5 (ii) For applicants who have less than six (6) months remaining in the forty-eight-month
6 (48) lifetime time limit because the family or assistance unit previously received cash assistance in
7 Rhode Island or in another state, the department shall notify the applicant of the number of months
8 remaining when the application is approved and begin the process required in subsection (h)(5)(i).

9 (6) If a cash assistance recipient family was closed pursuant to Rhode Island's Temporary
10 Assistance for Needy Families Program (federal TANF described in Title IV-A of the Federal
11 Social Security Act, 42 U.S.C. § 601 et seq.), formerly entitled the Rhode Island family
12 independence program, more specifically under § 40-5.1-9(2)(c) [repealed], due to sanction
13 because of failure to comply with the cash assistance program requirements; and that recipient
14 family received forty-eight (48) months of cash benefits in accordance with the family
15 independence program, then that recipient family is not able to receive further cash assistance for
16 his/her family, under this chapter, except under hardship exceptions.

17 (7) The months of state or federally funded cash assistance received by a recipient family
18 since May 1, 1997, under Rhode Island's Temporary Assistance for Needy Families Program
19 (federal TANF described in Title IV-A of the Federal Social Security Act, 42 U.S.C. § 601 et seq.),
20 formerly entitled the Rhode Island family independence program, shall be countable toward the
21 time-limited cash assistance described in this chapter.

22 (i) Time limit on the receipt of cash assistance.

23 (1) No cash assistance shall be provided, pursuant to this chapter, to a family assistance
24 unit in which an adult member has received cash assistance for a total of sixty (60) months (whether
25 or not consecutive) to include any time receiving any type of cash assistance in any other state or
26 territory of the United States as defined herein effective August 1, 2008. Provided further, that no
27 cash assistance shall be provided to a family in which an adult member has received assistance for
28 twenty-four (24) consecutive months unless the adult member has a rehabilitation employment plan
29 as provided in § 40-5.2-12(g)(5).

30 (2) Effective August 1, 2008, no cash assistance shall be provided pursuant to this chapter
31 to a family in which a child has received cash assistance for a total of sixty (60) months (whether
32 or not consecutive) if the parent is ineligible for assistance under this chapter pursuant to subsection
33 (a)(2) to include any time they received any type of cash assistance in any other state or territory
34 of the United States as defined herein.

1 (j) Hardship exceptions.

2 (1) The department may extend an assistance unit's or family's cash assistance beyond the
3 time limit, by reason of hardship; provided, however, that the number of families to be exempted
4 by the department with respect to their time limit under this subsection shall not exceed twenty
5 percent (20%) of the average monthly number of families to which assistance is provided for under
6 this chapter in a fiscal year; provided, however, that to the extent now or hereafter permitted by
7 federal law, any waiver granted under § 40-5.2-34, for domestic violence, shall not be counted in
8 determining the twenty percent (20%) maximum under this section.

9 (2) Parents who receive extensions to the time limit due to hardship must have and comply
10 with employment plans designed to remove or ameliorate the conditions that warranted the
11 extension.

12 (k) Parents under eighteen (18) years of age.

13 (1) A family consisting of a parent who is under the age of eighteen (18), and who has
14 never been married, and who has a child; or a family consisting of a woman under the age of
15 eighteen (18) who is at least six (6) months pregnant, shall be eligible for cash assistance only if
16 the family resides in the home of an adult parent, legal guardian, or other adult relative. The
17 assistance shall be provided to the adult parent, legal guardian, or other adult relative on behalf of
18 the individual and child unless otherwise authorized by the department.

19 (2) This subsection shall not apply if the minor parent or pregnant minor has no parent,
20 legal guardian, or other adult relative who is living and/or whose whereabouts are unknown; or the
21 department determines that the physical or emotional health or safety of the minor parent, or his or
22 her child, or the pregnant minor, would be jeopardized if he or she was required to live in the same
23 residence as his or her parent, legal guardian, or other adult relative (refusal of a parent, legal
24 guardian, or other adult relative to allow the minor parent or his or her child, or a pregnant minor,
25 to live in his or her home shall constitute a presumption that the health or safety would be so
26 jeopardized); or the minor parent or pregnant minor has lived apart from his or her own parent or
27 legal guardian for a period of at least one year before either the birth of any child to a minor parent
28 or the onset of the pregnant minor's pregnancy; or there is good cause, under departmental
29 regulations, for waiving the subsection; and the individual resides in a supervised supportive-living
30 arrangement to the extent available.

31 (3) For purposes of this section, "supervised supportive-living arrangement" means an
32 arrangement that requires minor parents to enroll and make satisfactory progress in a program
33 leading to a high school diploma or a general education development certificate, and requires minor
34 parents to participate in the adolescent parenting program designated by the department, to the

1 extent the program is available; and provides rules and regulations that ensure regular adult
2 supervision.

3 (1) Assignment and cooperation. As a condition of eligibility for cash and medical
4 assistance under this chapter, each adult member, parent, or caretaker relative of the
5 family/assistance unit must:

6 (1) Assign to the state any rights to support for children within the family from any person
7 that the family member has at the time the assignment is executed or may have while receiving
8 assistance under this chapter;

9 (2) Consent to and cooperate with the state in establishing the paternity and in establishing
10 and/or enforcing child support and medical support orders for all children in the family or assistance
11 unit in accordance with title 15 of the general laws, as amended, unless the parent or caretaker
12 relative is found to have good cause for refusing to comply with the requirements of this
13 subsection.

14 (3) Absent good cause, as defined by the department of human services through the
15 rulemaking process, for refusing to comply with the requirements of subsections (1)(1) and (1)(2),
16 cash assistance to the family shall be reduced by twenty-five percent (25%) until the adult member
17 of the family who has refused to comply with the requirements of this subsection consents to and
18 cooperates with the state in accordance with the requirements of this subsection.

19 (4) As a condition of eligibility for cash and medical assistance under this chapter, each
20 adult member, parent, or caretaker relative of the family/assistance unit must consent to and
21 cooperate with the state in identifying and providing information to assist the state in pursuing any
22 third party who may be liable to pay for care and services under Title XIX of the Social Security
23 Act, 42 U.S.C. § 1396 et seq.

24 **40-5.2-20. Childcare assistance — Families or assistance units eligible.**

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

28 (b) Low-income child care. The department shall provide child care to all other working
29 families with incomes at or below ~~one hundred eighty percent (180%)~~ two hundred percent (200%)
30 of the federal poverty level if, and to the extent, these other families require child care in order to
31 work at paid employment as defined in the department's rules and regulations. ~~Beginning October~~
32 ~~1, 2013, the~~ The department shall also provide child care to families with incomes below ~~one~~
33 ~~hundred eighty percent (180%)~~ two hundred percent (200%) of the federal poverty level if, and to
34 the extent, these families require child care to participate on a short-term basis, as defined in the

1 department's rules and regulations, in training, apprenticeship, internship, on-the-job training, work
2 experience, work immersion, or other job-readiness/job-attachment program sponsored or funded
3 by the human resource investment council (governor's workforce board) or state agencies that are
4 part of the coordinated program system pursuant to § 42-102-11. Effective from January 1, 2021,
5 through June 30, 2022, the department shall also provide childcare assistance to families with
6 incomes below one hundred eighty percent (180%) of the federal poverty level when such
7 assistance is necessary for a member of these families to enroll or maintain enrollment in a Rhode
8 Island public institution of higher education provided that eligibility to receive funding is capped
9 when expenditures reach \$200,000 for this provision. [Effective July 1, 2022, the department shall](#)
10 [also provide childcare assistance to families with incomes below two hundred percent \(200%\) of](#)
11 [the federal poverty level when such assistance is necessary for a member of these families to enroll](#)
12 [or maintain enrollment in a Rhode Island public institution of higher education.](#)

13 (c) No family/assistance unit shall be eligible for childcare assistance under this chapter if
14 the combined value of its liquid resources exceeds one million dollars (\$1,000,000), which
15 corresponds to the amount permitted by the federal government under the state plan and set forth
16 in the administrative rulemaking process by the department. Liquid resources are defined as any
17 interest(s) in property in the form of cash or other financial instruments or accounts that are readily
18 convertible to cash or cash equivalents. These include, but are not limited to: cash, bank, credit
19 union, or other financial institution savings, checking, and money market accounts; certificates of
20 deposit or other time deposits; stocks; bonds; mutual funds; and other similar financial instruments
21 or accounts. These do not include educational savings accounts, plans, or programs; retirement
22 accounts, plans, or programs; or accounts held jointly with another adult, not including a spouse.
23 The department is authorized to promulgate rules and regulations to determine the ownership and
24 source of the funds in the joint account.

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

31 (e) For purposes of this section, "appropriate child care" means child care, including infant,
32 toddler, preschool, nursery school, and school-age, that is provided by a person or organization
33 qualified, approved, and authorized to provide the care by the state agency or agencies designated
34 to make the determinations in accordance with the provisions set forth herein.

1 (f) (1) Families with incomes below one hundred percent (100%) of the applicable federal
2 poverty level guidelines shall be provided with free child care. Families with incomes greater than
3 one hundred percent (100%) and less than ~~one hundred eighty percent (180%)~~ two hundred percent
4 (200%) of the applicable federal poverty guideline shall be required to pay for some portion of the
5 child care they receive, according to a sliding-fee scale adopted by the department in the
6 department's rules, not to exceed seven percent (7%) of income as defined in subsection (h) of this
7 section.

8 (2) Families who are receiving childcare assistance and who become ineligible for
9 childcare assistance as a result of their incomes exceeding ~~one hundred eighty percent (180%)~~ two
10 hundred percent (200%) of the applicable federal poverty guidelines shall continue to be eligible
11 for childcare assistance until their incomes exceed two hundred twenty-five percent (225%) of the
12 applicable federal poverty guidelines. To be eligible, the families must continue to pay for some
13 portion of the child care they receive, as indicated in a sliding-fee scale adopted in the department's
14 rules, not to exceed seven percent (7%) of income as defined in subsection (h) of this section, and
15 in accordance with all other eligibility standards.

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

19 (h) For purposes of this section, "income" for families receiving cash assistance under §
20 40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
21 §§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned and
22 unearned income as determined by departmental regulations.

23 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
24 the expenditures for child care in accordance with the provisions of § 35-17-1.

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

30 SECTION 2. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled
31 "Childcare-State Subsidies" is hereby amended to read as follows:

32 **40-6.2-1.1. Rates established.**

33 (a) Through June 30, 2015, subject to the payment limitations in subsection (c), the
34 maximum reimbursement rates to be paid by the departments of human services and children, youth

1 and families for licensed childcare centers and licensed family childcare providers shall be based
 2 on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
 3 average of the 75th percentile of the 2002 and the 2004 weekly market rates:

4		75 th
5	LICENSED	PERCENTILE
6	CHILDCARE	OF WEEKLY
7	CENTERS	MARKET RATE
8	INFANT	\$182.00
9	PRESCHOOL	\$150.00
10	SCHOOL-AGE	\$135.00
11		75 th
12	LICENSED FAMILY	PERCENTILE
13	CHILDCARE	OF WEEKLY
14	PROVIDERS	MARKET RATE
15	INFANT	\$150.00
16	PRESCHOOL	\$150.00
17	SCHOOL-AGE	\$135.00

18 Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum
 19 reimbursement rates to be paid by the departments of human services and children, youth and
 20 families for licensed childcare centers and licensed family childcare providers shall be based on the
 21 above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of
 22 the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be increased by
 23 ten dollars (\$10.00) per week for infant/toddler care provided by licensed family childcare
 24 providers and license-exempt providers and then the rates for all providers for all age groups shall
 25 be increased by three percent (3%). For the fiscal year ending June 30, 2018, licensed childcare
 26 centers shall be reimbursed a maximum weekly rate of one hundred ninety-three dollars and sixty-
 27 four cents (\$193.64) for infant/toddler care and one hundred sixty-one dollars and seventy-one
 28 cents (\$161.71) for preschool-age children.

29 (b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the
 30 maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of
 31 human services and children, youth and families for licensed childcare centers shall be
 32 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
 33 the state's quality rating system outlined in § 42-12-23.1.

1 (1) For infant/toddler child care, tier one shall be reimbursed two and one-half percent
2 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
3 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
4 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018 weekly
5 amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018 weekly
6 amount.

7 (2) For preschool reimbursement rates, tier one shall be reimbursed two and one-half
8 (2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
9 above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY
10 2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018
11 weekly amount, and tier five shall be reimbursed twenty-one percent (21%) above the FY 2018
12 weekly amount.

13 (c) [Deleted by P.L. 2019, ch. 88, art. 13, § 4.]

14 (d) By June 30, 2004, and biennially through June 30, 2014, the department of labor and
15 training shall conduct an independent survey or certify an independent survey of the then-current
16 weekly market rates for child care in Rhode Island and shall forward the weekly market rate survey
17 to the department of human services. The next survey shall be conducted by June 30, 2016, and
18 triennially thereafter. The departments of human services and labor and training will jointly
19 determine the survey criteria including, but not limited to, rate categories and sub-categories.

20 (e) In order to expand the accessibility and availability of quality child care, the department
21 of human services is authorized to establish, by regulation, alternative or incentive rates of
22 reimbursement for quality enhancements, innovative or specialized child care, and alternative
23 methodologies of childcare delivery, including nontraditional delivery systems and collaborations.

24 (f) Effective January 1, 2007, all childcare providers have the option to be paid every two
25 (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of
26 reimbursement payments.

27 (g) Effective July 1, 2019, the maximum infant/toddler reimbursement rates to be paid by
28 the departments of human services and children, youth and families for licensed family childcare
29 providers shall be implemented in a tiered manner, reflective of the quality rating the provider has
30 achieved within the state's quality rating system outlined in § 42-12-23.1. Tier one shall be
31 reimbursed two percent (2%) above the prevailing base rate for step 1 and step 2 providers, three
32 percent (3%) above prevailing base rate for step 3 providers, and four percent (4%) above the
33 prevailing base rate for step 4 providers; tier two shall be reimbursed five percent (5%) above the
34 prevailing base rate; tier three shall be reimbursed eleven percent (11%) above the prevailing base

1 rate; tier four shall be reimbursed fourteen percent (14%) above the prevailing base rate; and tier
 2 five shall be reimbursed twenty-three percent (23%) above the prevailing base rate.

3 (h) Through December 31, 2021, the maximum reimbursement rates paid by the
 4 departments of human services, and children, youth and families to licensed childcare centers shall
 5 be consistent with the enhanced emergency rates provided as of June 1, 2021, as follows:

	Tier 1	Tier 2	Tier 3	Tier	4
6 Tier 5					
7 Infant/Toddler	\$257.54	\$257.54	\$257.54	\$257.54	
8 \$273.00					
9 Preschool Age	\$195.67	\$195.67	\$195.67	\$195.67	
10 \$260.00					
11 School Age	\$200.00	\$200.00	\$200.00	\$200.00	
12 \$245.00					

14 The maximum reimbursement rates paid by the departments of human services, and
 15 children, youth and families to licensed family childcare providers shall be consistent with the
 16 enhanced emergency rates provided as of June 1, 2021, as follows:

	Tier 1	Tier 2	Tier 3	Tier	4
17 Tier 5					
18 Infant/Toddler	\$224.43	\$224.43	\$224.43	\$224.43	
19 \$224.43					
20 Preschool Age	\$171.45	\$171.45	\$171.45	\$171.45	
21 \$171.45					
22 School Age	\$162.30	\$162.30	\$162.30	\$162.30	
23 \$162.30					

25 (i) Effective January 1, 2022, the maximum reimbursement rates to be paid by the
 26 departments of human services and children, youth and families for licensed childcare centers shall
 27 be implemented in a tiered manner, reflective of the quality rating the provider has achieved within
 28 the state's quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
 29 reimbursed as follows:

LICENSED CHILD CARE CENTERS	Tier One	Tier Two	Tier Three	Tier Four	Tier
30					
31					
32					
33 Five					

1	Infant/Toddler	\$236.36	\$244.88	\$257.15	\$268.74
2	\$284.39				
3	Preschool	\$207.51	\$212.27	\$218.45	\$223.50
4	\$231.39				
5	School-Age	\$180.38	\$182.77	\$185.17	\$187.57
6	\$189.97				

7 The maximum reimbursement rates for licensed family childcare providers paid by the
8 departments of human services, and children, youth and families is determined through collective
9 bargaining. The maximum reimbursement rates for infant/toddler and preschool age children paid
10 to licensed family childcare providers by both departments is implemented in a tiered manner that
11 reflects the quality rating the provider has achieved in accordance with § 42-12-23.1.

12 (j) Effective July 1, 2022, the maximum reimbursement rates to be paid by the departments
13 of human services and children, youth and families for licensed childcare centers shall be
14 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
15 the state's quality rating system outlined in § 42-12-23.1. Maximum weekly rates shall be
16 reimbursed as follows:

17	<u>LICENSED</u>					
18	<u>CHILDCARE</u>					
19	<u>CENTERS</u>	<u>Tier One</u>	<u>Tier Two</u>	<u>Tier Three</u>	<u>Tier Four</u>	<u>Tier</u>
20	<u>Five</u>					
21	<u>Infant/Toddler</u>	<u>\$260</u>	<u>\$265</u>	<u>\$270</u>	<u>\$289</u>	<u>\$300</u>
22	<u>Preschool</u>	<u>\$217</u>	<u>\$220</u>	<u>\$225</u>	<u>\$250</u>	<u>\$260</u>
23	<u>School-Age</u>	<u>\$188</u>	<u>\$196</u>	<u>\$200</u>	<u>\$205</u>	<u>\$210</u>

24 The maximum reimbursement rates for licensed family childcare providers paid by the
25 departments of human services, and children, youth and families is determined through collective
26 bargaining. The maximum reimbursement rates for infant/toddler and preschool age children paid
27 to licensed family childcare providers by both departments is implemented in a tiered manner that
28 reflects the quality rating the provider has achieved in accordance with § 42-12-23.1.

29 SECTION 3. This Article shall take effect July 1, 2022.

1 **ARTICLE 14**

2 **RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE**

3 SECTION 1. This Article consists of a joint resolution that is submitted pursuant to § 37-
4 6-2 authorizing various lease agreements for office space and operating space.

5 SECTION 2. *Executive Office of Commerce*

6 WHEREAS, the Executive Office of Commerce currently occupies approximately 2,983
7 square feet at 555 Valley Street (Building 58, Suite 203) in the City of Providence;

8 WHEREAS, the Executive Office of Commerce currently has a current lease agreement,
9 in full force and effect, with Foundry ALCO Members, LLC for approximately 2,983 square feet
10 of office space located at 555 Valley Street (Building 58, Suite 203);

11 WHEREAS, the existing lease expires on June 30, 2022, and the Executive Office of
12 Commerce wishes to exercise its option to renew this lease for an additional five-year term;

13 WHEREAS, the State of Rhode Island, acting by and through the Executive Office of
14 Commerce attests to the fact that there are no clauses in the lease agreement with Foundry ALCO
15 Members, LLC that would interfere with the Executive Office of Commerce lease agreement or
16 use of the facility;

17 WHEREAS, the leased premises provide a critical location for the offices of the Executive
18 Office of Commerce from which the organization can fulfill the mission of the Executive Office of
19 Commerce;

20 WHEREAS, the annual base rent in the agreement in the current fiscal year, ending June
21 30, 2022 is \$71,234.04;

22 WHEREAS, the anticipated annual base rent of the agreement in each of the five (5) years
23 of the renewal term will not exceed \$76,576.60;

24 WHEREAS, the payment of the annual base rent will be made from funds available to the
25 Executive Office of Commerce for the payments of rental and lease costs based on annual
26 appropriations made by the General Assembly;

27 WHEREAS, the State Properties Committee now respectfully requests the approval of the
28 Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement
29 between the Executive Office of Commerce and Foundry ALCO Members, LLC for leased space
30 located at 555 Valley Street (Building 58, Suite 203), Providence; now therefore be it

31 RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the
32 lease agreement, for a term not to exceed five (5) years and an aggregate base rent not to exceed
33 \$382,883; and it be further

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

3 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
4 certified copies of this resolution to the Governor, the Director of the Executive Office of
5 Commerce, the Director of Administration, the State Budget Officer, and the Chair of the State
6 Properties Committee.

7 SECTION 3. *Department of Corrections*

8 WHEREAS, the Rhode Island Department of Corrections has a current lease agreement,
9 in full force and effect, with WRR Associates, LLC. for approximately 5,086 square feet of office
10 space located at 49 Pavilion Avenue, Providence;

11 WHEREAS, the State of Rhode Island, acting by and through the Department of
12 Corrections attests to the fact that there are no clauses in the lease agreement with the WRR
13 Associates, LLC that would interfere with the Department of Corrections lease agreement or use
14 of the facility;

15 WHEREAS, the existing lease expires on January 31, 2023, and the Department of
16 Corrections wishes to advertise a Request for Proposals seeking approximately 5,000 square feet
17 of office space and relocating to a new office location in Providence;

18 WHEREAS, the annual base rent in the current agreement in the current fiscal year, ending
19 June 30, 2022 and continuing through January 31, 2023 is \$108,690;

20 WHEREAS, the annual base rent of the agreement through January 31, 2023 will not
21 exceed \$108,690;

22 WHEREAS, it is anticipated that the annual base rent of the new lease agreement in each
23 of the ten years of the term will not exceed \$110,000;

24 WHEREAS, the payment of the annual base rent will be made from funds available to the
25 Department of Corrections for the payments of rental and lease costs based on annual
26 appropriations made by the General Assembly;

27 WHEREAS, the proposed new leased premises will provide a critical location for the
28 offices of the Department of Corrections from which the Department can serve the needs of
29 Providence and surrounding communities and otherwise fulfill the mission of the Department of
30 Corrections;

31 WHEREAS, the State Properties Committee now respectfully requests the approval of the
32 Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement
33 between the Department of Corrections and a landlord to be determined, for the office space located
34 at a location to be determined in the City of Providence, Rhode Island; now therefore be it

1 RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the
2 lease agreement, for a term not to exceed ten (10) years and an aggregate base rent not to exceed
3 \$1,100,000; and it be further

4 RESOLVED, that this joint resolution shall take effect upon passage by the General
5 Assembly; and it be further

6 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
7 certified copies of this resolution to the Governor, the Director of the Department of Corrections,
8 the Director of Administration, the State Budget Officer, and the Chair of the State Properties
9 Committee.

10 SECTION 4. *Department of Human Services*

11 WHEREAS, the Department of Human Services is in the process of consolidating its office
12 and customer facing space in the City of Providence;

13 WHEREAS, the State of Rhode Island, acting by and through the Department of Human
14 Services, attests to the fact that there are no clauses in its various lease agreements that would
15 interfere with the Department of Human Services lease agreements or use of any of the facilities;

16 WHEREAS, as part of its space consolidation plan, the Department of Human Services
17 wishes to advertise a Request for Proposals seeking approximately 7,500 square feet of
18 office/customer facing space in new leased premises located in the City of Providence;

19 WHEREAS, the proposed new leased premises will provide a critical customer facing
20 location for the offices of the Department of Human Services from which the Department can serve
21 the needs of Providence and surrounding communities and otherwise fulfill the mission of the
22 Department of Hunan Services;

23 WHEREAS, it is anticipated that the annual base rent of the new lease agreement in each
24 of the ten years of the term will not exceed \$165,000;

25 WHEREAS, the payment of the annual base rent will be made from funds available to the
26 Rhode Island Department of Human Services for the payments of rental and lease costs based on
27 annual appropriations made by the General Assembly;

28 WHEREAS, the State Properties Committee now respectfully requests the approval of the
29 House of Representatives and the Senate for the lease agreement between the Department of
30 Human Services and a landlord to be determined, for office/customer service space at a location to
31 be determined in the City of Providence; now therefore be it

32 RESOLVED, that this General Assembly approves the lease agreement, for a term not to
33 exceed ten (10) years and an aggregate base rent not to exceed \$1,650,000; and it be further

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

3 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
4 certified copies of this resolution to the Governor, the Director of the Department of Human
5 Services, the Director of Administration, the State Budget Officer, and the Chair of the State
6 Properties Committee.

7 SECTION 5. *University of Rhode Island – Communicative Disorders Program Lease*
8 *Renewal*

9 WHEREAS, the University of Rhode Island (“University”) has academic programs in
10 physical therapy, communicative disorders, and kinesiology with teaching, research, and outreach
11 that benefit Rhode Island adults and children with injuries and disabilities;

12 WHEREAS, the Independence Square Foundation (“Foundation”) is a non-profit
13 corporation that develops and manages community center buildings, leasing space at affordable
14 rates to not-for-profit operations, with a historical emphasis on operations supporting individuals
15 with disabilities;

16 WHEREAS, the Foundation promotes and fosters collaborative relationships between its
17 non-profit tenants in the interest of enhancing the range and quality of services offered to these
18 special populations, recognized at the national level as a unique model to be emulated:

19 WHEREAS, in 1991, the University and the Board of Governors for Higher
20 Education/Council on Postsecondary Education/University of Rhode Island Board of Trustees
21 (“Board”), and the State Properties Committee (“Properties Committee”) approved a lease of land
22 (“Ground Lease”), for ten years, with ten years renewable, for a parcel of land at 25 West
23 Independence Way on the Kingston Campus of the University in Kingston, Rhode Island to the
24 Foundation, enabling Independence Square to build a 40,000 square foot community center
25 building for not-for-profit tenants;

26 WHEREAS, in 2002, the University, the Board and the Properties Committee, approved a
27 space lease executed on May 24, 2002 and terminating, with executed extensions, on January 31,
28 2023, wherein the Foundation leased to University approximately 4,300 rentable square feet of
29 space located Building II for the University’s Communicative Disorders program (“Program”)
30 within the original phase of building at 25 West Independence Way and that Program, associated
31 students and faculty have benefited from the quality, accessible, and well maintained facilities for
32 the duration of that lease;

1 WHEREAS, in 2007, the University, the Board, and the Properties Committee have
2 approved a 25 year extension to the existing Ground Lease, commencing as of January 1, 2009 and
3 terminating on January 31, 2034;

4 WHEREAS, in 2022, the University and the Board approved a space lease commencing as
5 of the February 1, 2023 and terminating on January 31, 2034 , wherein the Foundation leased to
6 University approximately 4,300 rentable square feet of space located Building II for the
7 University’s Program within the original phase of building at 25 West Independence Way and that
8 Program, associated students and faculty have benefited from the quality, accessible, and well
9 maintained facilities for the duration of that lease;

10 WHEREAS, it is in the best interest of the Program, associated students and faculty to have
11 continued access to the quality, accessible, and well maintained facilities for the duration of the
12 lease;

13 WHEREAS, the renewal of the lease requires the University to pay rent, plus the
14 University’s proportional share of building operating expenses, such as heating, cooling, lighting,
15 and basic electrical service, such rent, for the Lease period, in total, shall be \$758,692.00. The
16 proportionate share of building operating expenses are calculated on an annualized basis, this
17 proportionate share of building operating expenses being subject to annual increases in operating
18 expenses in future years; now, therefore be it

19 RESOLVED, that this General Assembly of the State of Rhode Island hereby recognizes
20 that lease payments of rent will not exceed \$758,692.00 for the duration of the Communicative
21 Disorders Program Lease Renewal (“Lease Renewal”), plus the proportionate share of building
22 operating expenses; and be it further

23 RESOLVED, that this General Assembly hereby approves this Lease Renewal and its
24 associated rent and proportionate operating cost; and be it further

25 RESOLVED, that this Joint Resolution shall take effect upon passage by this General
26 Assembly; and be it further

27 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
28 certified copies of this resolution to the Governor, the Director of the Department of Human
29 Services, the Director of Administration, the State Budget Officer, and the Chair of the State
30 Properties Committee.

31 SECTION 6. *University of Rhode Island – Physical Therapy Program Lease Renewal*

32 WHEREAS, the University of Rhode Island (“University”) has academic programs in
33 physical therapy, communicative disorders, and kinesiology with teaching, research, and outreach
34 that benefit Rhode Island adults and children with injuries and disabilities;

1 WHEREAS, the Independence Square Foundation (“Foundation”) is a non-profit
2 corporation that develops and manages community center buildings, leasing space at affordable
3 rates to not-for-profit operations, with a historical emphasis on operations supporting individuals
4 with disabilities;

5 WHEREAS, the Foundation promotes and fosters collaborative relationships between its
6 non-profit tenants in the interest of enhancing the range and quality of services offered to these
7 special populations, recognized at the national level as a unique model to be emulated:

8 WHEREAS, in 1991, the University and the Board of Governors for Higher
9 Education/Council on Postsecondary Education/University of Rhode Island Board of Trustees
10 (“Board”), and the State Properties Committee (“Properties Committee”) approved a lease of land
11 (“Ground Lease”), for ten years, with ten years renewable, for a parcel of land at 25 West
12 Independence Way on the Kingston Campus of the University in Kingston, Rhode Island to the
13 Foundation, enabling Independence Square to build a 40,000 square foot community center
14 building for not-for-profit tenants;

15 WHEREAS, in 2007, the University, the Board, and the Properties Committee have
16 approved a 25 year extension to the existing Ground Lease, commencing as of January 1, 2009 and
17 terminating on January 31, 2034;

18 WHEREAS, in 2013, the University, the Board and the Properties Committee, approved a
19 space lease commencing as of the February 1, 2014 and terminating on February 28, 2023, wherein
20 the Foundation leased to University approximately 16,400 rentable square feet of space located
21 Building II for the University’s Physical Therapy program (“Program”) within the original phase
22 of building at 25 West Independence Way and that Program, associated students and faculty have
23 benefited from the quality, accessible, and well maintained facilities for the duration of that lease;

24 WHEREAS, in 2022, the University and the Board approved a space lease commencing as
25 of March 1, 2023 and terminating on January 31, 2034 (“Lease”), wherein the Foundation leased
26 to University approximately 16,400 rentable square feet of space located Building II for the
27 University’s Program within the original phase of building at 25 West Independence Way and that
28 Program, associated students and faculty have benefited from the quality, accessible, and well
29 maintained facilities for the duration of that Lease;

30 WHEREAS it is in the best interest of the Program, associated students and faculty to have
31 continued access to the quality, accessible, and well-maintained facilities for the duration of the
32 Lease;

33 WHEREAS, the lease requires the University to pay rent, plus the University’s
34 proportional share of building operating expenses, such as heating, cooling, lighting, and basic

1 electrical service, such rent, for the Lease period, in total, shall be \$2,871,694.67. The proportionate
2 share of building operating expenses are calculated on an annualized basis, this proportionate share
3 of building operating expenses being subject to annual increases in operating expenses in future
4 years; now, therefore be it

5 RESOLVED, that this General Assembly of the State of Rhode Island hereby recognizes
6 that Lease payments of rent will not exceed \$2,871,694.67 for the duration of the Lease, plus the
7 proportionate share of building operating expenses; and be it further

8 RESOLVED, that this General Assembly hereby approves this Physical Therapy Program
9 Lease Renewal and its associated rent and proportionate operating costs; and be it further

10 RESOLVED, that this Joint Resolution shall take effect upon passage by this General
11 Assembly; and be it further

12 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
13 certified copies of this resolution to the Governor, the Director of the Department of Human
14 Services, the Director of Administration, the State Budget Officer, and the Chair of the State
15 Properties Committee.

16 SECTION 7. This Article shall take effect upon passage.

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ARTICLE 15

RELATING TO EFFECTIVE DATE

SECTION 1. This act shall take effect as of July 1, 2022, except as otherwise provided herein.

SECTION 2. This article shall take effect upon passage.

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