

2024 -- S 2712 SUBSTITUTE A

LC005631/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO PUBLIC FINANCE STATE FUNDS -- MEDICAL DEBT RELIEF PROGRAM

Introduced By: Senators McKenney, and Pearson

Date Introduced: March 05, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 35-4 of the General Laws entitled "State Funds" is hereby amended
2 by adding thereto the following section:

3 **35-4-21.1. Medical debt relief program.**

4 (a) There is hereby established a medical debt relief program to be administered by the
5 general treasurer, to be used to contract with a nonprofit corporation for the purchase, cancellation
6 and forgiveness of medical debts, based upon the following conditions:

7 (1) That the debt was incurred in order to obtain medical services, products, and/or devices;

8 (2) That the debts are in collection or have been sold or assigned by the original provider;

9 and

10 (3) That the debt is owed by a citizen of the state, whose federal adjusted gross income is
11 four hundred percent (400%) or less than the federal poverty line or whose debt is more than five
12 percent (5%) of the citizen's adjusted gross income, as measured by the prior tax return or the
13 estimated return in the current year.

14 (b) Any citizen of this state whose debt is discharged, cancelled or forgiven under this
15 section, shall be provided notice of the cancellation of the debt, but shall not have the amount
16 cancelled included in the computation of taxable income, for the purpose of state income taxes.

17 (c) For the purposes of this section, the definition of medical debts shall be liberally
18 construed, so as to not reduce the types of debt that may be subject to cancellation, so long as they

1 arise from medical transport, evaluation, diagnosis, treatment and/or rehabilitation.

2 (d) The general treasurer shall provide quarterly updates on the program to the chairpersons
3 of the house and senate committees on finance beginning January 1, 2025.

4 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC FINANCE STATE FUNDS -- MEDICAL DEBT RELIEF
PROGRAM

1 This act would establish a medical debt relief program, to be administered by the general
2 treasurer for the purchase, cancellation and forgiveness of medical debts, based upon certain
3 conditions.

4 This act would take effect upon passage.

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