

1 **ARTICLE 3**

2 **RELATING TO GOVERNMENT REFORM AND REORGANIZATION**

3 SECTION 1. Sections 2-26-3, 2-26-4, 2-26-5, 2-26-6, 2-26-7, 2-26-8, 2-26-9, and 2-26-10  
4 of the General Laws in Chapter 2-26 entitled “Hemp Growth Act” are hereby amended to read as  
5 follows:

6 **2-26-3. Definitions.**

7 When used in this chapter, the following terms shall have the following meanings:

8 (1) “Applicant” means any person, firm, corporation, or other legal entity who or that, on  
9 his, her, or its own behalf, or on behalf of another, has applied for permission to engage in any act  
10 or activity that is regulated under the provisions of this chapter.

11 (2) “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;  
13 and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds,  
14 or resin regardless of cannabinoid content or cannabinoid potency including “marijuana” and  
15 “industrial hemp” or “industrial hemp products” which satisfy the requirements of this chapter.

16 (3) “Cannabidiol” or “CBD” means cannabidiol (CBD) derived from a hemp plant as  
17 defined in § 2-26-3, not including products derived from exempt cannabis plant material as defined  
18 in 21 C.F.R. § 1308.35.

19 (4) ~~“Department” means the office of cannabis regulation within the department of~~  
20 ~~business regulation~~ “Cannabis control commission” or “commission” means the Rhode Island  
21 cannabis control commission established by § 21-28.11-4.

22 (5) “Division” means the division of agriculture in the department of environmental  
23 management.

24 (6) “Grower” means a person or entity who or that produces hemp for commercial  
25 purposes.

26 (7) “Handler” means a person or entity who or that produces or processes hemp or  
27 agricultural hemp seed into commodities or who manufactures hemp products.

28 (8) “Hemp” or “industrial hemp” means the plant Cannabis sativa L. and any part of that  
29 plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts,  
30 and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of  
31 not more than three-tenths percent (0.3%) on a dry weight or per volume basis regardless of  
32 moisture content, and which satisfies the requirements of this chapter.

33 (9) “Hemp-derived consumable CBD product” means any product meant for ingestion,  
34 including, but not limited to, concentrates, extracts, and cannabis-infused foods and products,

1 which contains cannabidiol derived from a hemp plant as defined in this section, which shall only  
2 be sold to persons age twenty-one (21) or older, and which shall not include products derived from  
3 exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

4 (10) “Hemp products” or “industrial hemp products” means all products made from the  
5 plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-derived  
6 consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal, seed oil,  
7 and seed certified for cultivation, which satisfy the requirements of this chapter.

8 (11) “Licensed CBD distributor” means a person licensed to distribute hemp-derived  
9 consumable CBD products pursuant to this chapter.

10 (12) “Licensed CBD retailer” means a person licensed to sell hemp-derived consumable  
11 CBD products pursuant to this chapter.

12 (13) “Cannabis office” or “office” means the cannabis office established by § 21-28.11-  
13 18.1.

14 ~~(13)~~ 14 “THC” means tetrahydrocannabinol, the principal psychoactive constituent of  
15 cannabis.

16 ~~(14)~~ 15 “THCA” means tetrahydrocannabinol acid.

17 **2-26-4. Hemp an agricultural product.**

18 Hemp is an agricultural product that may be grown as a crop, produced, possessed,  
19 distributed, sold at retail, and commercially traded pursuant to the provisions of this chapter.

20 Hemp is subject to primary regulation by the ~~department~~ commission. The division may assist the  
21 ~~department~~ commission in the regulation of hemp growth and production.

22 **2-26-5. Authority over licensing and sales.**

23 (a) The ~~department~~ commission shall prescribe rules and regulations for the licensing and  
24 regulation of hemp growers, handlers, licensed CBD distributors, and licensed CBD retailers and  
25 persons employed by the applicant not inconsistent with law, to carry into effect the provision of  
26 this chapter and shall be responsible for the enforcement of the licensing.

27 (b) All growers, handlers, licensed CBD distributors, and licensed CBD retailers must  
28 have a hemp license issued by the ~~department~~ commission. All production, distribution, and retail  
29 sale of hemp-derived consumable CBD products must be consistent with any applicable state or  
30 local food processing and safety regulations, and the applicant shall be responsible to ensure its  
31 compliance with the regulations and any applicable food safety licensing requirements, including,  
32 but not limited to, those promulgated by the department of health.

33 (c) The application for a hemp license shall include, but not be limited to, the following:

34 (1)(i) The name and address of the applicant who will supervise, manage, or direct the

1 growing and handling of hemp and the names and addresses of any person or entity partnering or  
2 providing consulting services regarding the growing or handling of hemp; and

3 (ii) The name and address of the applicant who will supervise, manage, or direct the  
4 distribution or sale of hemp-derived consumable CBD products, and names and addresses of any  
5 person or entity partnering or providing consulting services regarding the distribution or sale of  
6 hemp-derived CBD products.

7 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type  
8 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-  
9 3; any seeds that are obtained from a federal agency are presumed not to exceed the maximum  
10 concentration and do not require a certificate of analysis.

11 (3)(i) The location of the facility, including the Global Positioning System location, and  
12 other field reference information as may be required by the ~~department~~ [commission](#) with a  
13 tracking program and security layout to ensure that all hemp grown is tracked and monitored  
14 from seed to distribution outlets; and

15 (ii) The location of the facility and other information as may be required by the  
16 ~~department~~ [commission](#) as to where the distribution or sale of hemp-derived consumable CBD  
17 products will occur.

18 (4) An explanation of the seed-to-sale tracking, cultivation method, extraction method,  
19 and certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if  
20 required by the ~~department~~ [commission](#).

21 (5) Verification, prior to planting any seed, that the plant to be grown is of a type and  
22 variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of  
23 one percent (0.3%) on a dry-weight basis.

24 (6) Documentation that the licensee and/or its agents have entered into a purchase  
25 agreement with a hemp handler, processor, distributor, or retailer.

26 (7) All applicants:

27 (i) Shall apply to the state police, attorney general, or local law enforcement for a  
28 National Criminal Identification records check that shall include fingerprints submitted to the  
29 Federal Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in  
30 subsections (c)(7)(iv) and (c)(7)(v), and in accordance with the rules promulgated by the  
31 ~~department~~ [commission](#), the state police shall inform the applicant, in writing, of the nature of the  
32 conviction, and the state police shall notify the ~~department~~ [commission](#), in writing, without  
33 disclosing the nature of the conviction, that a conviction has been found;

34 (ii) In those situations in which no conviction has been found, the state police shall

1 inform the applicant and the ~~department~~ [commission](#), in writing, of this fact;

2 (iii) All applicants shall be responsible for any expense associated with the criminal  
3 background check with fingerprints.

4 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title  
5 21, or any person who has been convicted of murder; manslaughter; first-degree sexual assault;  
6 second-degree sexual assault; first-degree child molestation; second-degree child molestation;  
7 kidnapping; first-degree arson; second-degree arson; mayhem; robbery; burglary; breaking and  
8 entering; assault with a dangerous weapon; or any assault and battery punishable as a felony or  
9 assault with intent to commit any offense punishable as a felony, shall, [subject to § 28-5.1-14](#), be  
10 disqualified from holding any license or permit under this chapter. The ~~department~~ [commission](#)  
11 shall notify any applicant, in writing, of a denial of a license pursuant to this subsection.

12 (v) For purposes of this section, “conviction” means, in addition to judgments of  
13 conviction entered by a court subsequent to a finding of guilty, or plea of guilty, those instances  
14 where the defendant has entered a plea of nolo contendere and has received a jail sentence or a  
15 suspended jail sentence, or those instances wherein the defendant has entered into a deferred  
16 sentence agreement with the Rhode Island attorney general and the period of deferment has not  
17 been completed.

18 (8) Any other information as set forth in rules and regulations as required by the  
19 ~~department~~ [commission](#).

20 (d) [Deleted by P.L. 2019, ch. 88, art. 15, § 1.]

21 (e) The ~~department~~ [commission](#) shall issue a hemp license to the grower or handler  
22 applicant if he, she, or it meets the requirements of this chapter, upon the applicant paying a  
23 licensure fee of two thousand five hundred dollars (\$2,500). The license shall be renewed every  
24 two (2) years upon payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any  
25 licensee convicted of any disqualifying offense described in subsection (c)(7)(iv) shall, [subject to](#)  
26 [§ 28-5.1-14](#), have his, her, or its license revoked. All license fees shall be directed to the  
27 ~~department~~ [commission](#) to help defray the cost of enforcement. The ~~department~~ [commission](#) shall  
28 collect a nonrefundable application fee of two hundred fifty dollars (\$250) for each application to  
29 obtain a license.

30 (f) Any grower or handler license applicant or license holder may also apply for and be  
31 issued one (1) CBD distributor and/or one (1) CBD retailer license at no additional cost, provided  
32 their grower or handler license is issued or renewed. CBD distributor and CBD retailer licenses  
33 shall be renewed each year at no additional fee provided the applicant also holds or renews a  
34 grower and/or handler license.

1 (g) For applicants who do not hold, renew, or receive a grower or handler license, CBD  
2 distributor and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500).  
3 The licenses shall be renewed each year upon approval by the ~~department~~ [commission](#) and  
4 payment of a five hundred dollar (\$500) renewal fee.

5 **2-26-6. Rulemaking authority.**

6 (a) The ~~department~~ [commission](#) shall adopt rules to provide for the implementation of  
7 this chapter, which shall include rules to require hemp to be tested during growth for THC levels  
8 and to require inspection of hemp during sowing, growing season, harvest, storage, and  
9 processing. Included in these rules should be a system requiring the licensee to submit crop  
10 samples to an approved testing facility, as determined by the ~~department~~ [commission](#) for testing  
11 and verification of compliance with the limits on delta-9 THC concentration.

12 (b) The ~~department~~ [commission](#) shall prescribe rules and regulations for all operational  
13 requirements for licensed growers, handlers, CBD distributors, and retailers, and to ensure  
14 consistency in manufactured products and appropriate packaging, labeling, and placement with  
15 respect to retail sales not inconsistent with law, to carry in effect the provisions of this chapter.

16 (c) The ~~department~~ [commission](#) shall not adopt, under this or any other section, a rule  
17 that would prohibit a person or entity to grow, distribute, or sell hemp based solely on the legal  
18 status of hemp under federal law.

19 (d) The ~~department~~ [commission](#) may adopt rules and regulations based on federal law  
20 provided those rules and regulations are designed to comply with federal guidance and mitigate  
21 federal enforcement against the licenses issued under this chapter.

22 (e) [Deleted by P.L. 2020, ch. 1, § 2 and P.L. 2020, ch. 2, § 2.]

23 **2-26-7. Licensure.**

24 (a) Except as provided in this section, ~~beginning sixty (60) days after the effective date of~~  
25 ~~this chapter,~~ the ~~department~~ [commission](#) shall accept the application for licensure to cultivate  
26 hemp submitted by the applicant.

27 (b) A person or entity, licensed by the ~~department~~ [commission](#) pursuant to this chapter,  
28 shall allow hemp crops, throughout sowing, year-long growing seasons, harvest storage, and  
29 processing, manufacturing, and retail facilities to be inspected and tested by and at the discretion  
30 of the ~~department~~ [commission](#) and as required pursuant to any applicable state or local food  
31 processing and safety regulations, including, but not limited to those, promulgated by the Rhode  
32 Island department of health.

33 **2-26-8. Methods of extraction.**

34 (a) The ~~department~~ [commission](#) shall adopt rules regarding permissible methods of

1 extraction.

2 (b) No butane method of extraction shall be permitted by the ~~department~~ [commission](#).

3 **2-26-9. Research and educational growth by institutions of higher education.**

4 (a) The ~~department~~ [commission](#) is authorized to certify any higher educational institution  
5 in Rhode Island to grow or handle, or assist in growing or handling, industrial hemp for the  
6 purpose of agricultural or academic research where such higher educational institution submits  
7 the following to the ~~department~~ [commission](#):

8 (1) The location where the higher educational institution intends to grow or cultivate the  
9 industrial hemp;

10 (2) The higher educational institution's research plan; and

11 (3) The name of the employee of the higher educational institution who will supervise the  
12 hemp growth, cultivation, and research.

13 (b) Growth for purposes of agricultural and educational research by a higher educational  
14 institution shall not be subject to the licensing requirements set forth in § 2-26-5.

15 (c) The applicant is encouraged to partner with an institution of higher learning within the  
16 state of Rhode Island to develop best practices for growing and handling hemp.

17 (d) The ~~department~~ [commission](#) shall maintain a list of each higher education institution  
18 certified to grow or cultivate industrial hemp under this chapter.

19 **2-26-10. Enforcement of violations of chapter.**

20 (a) Notwithstanding any other provision of this chapter, if the ~~director of the department~~  
21 [chairperson of the commission](#), or his or her designee, has cause to believe that a violation of any  
22 provision of this chapter or any regulations promulgated hereunder has occurred by a licensee  
23 who or that is under the ~~department's~~ [commission's](#) jurisdiction pursuant to this chapter, or that  
24 any person or entity is conducting any activities requiring licensure by the ~~department~~  
25 [commission](#) under this chapter or the regulations promulgated hereunder without such licensure,  
26 the ~~director~~ [chairperson](#), or his or her designee, may, in accordance with the requirements of the  
27 administrative procedures act, chapter 35 of title 42:

28 (1) Revoke or suspend a license;

29 (2) Levy an administrative penalty in an amount established pursuant to regulations  
30 promulgated by the ~~department~~ [commission](#);

31 (3) Order the violator to cease and desist such actions;

32 (4) Require a licensee or person or entity conducting any activities requiring licensure  
33 under this chapter to take such actions as are necessary to comply with this chapter and the  
34 regulations promulgated thereunder; or

1 (5) Any combination of the above penalties.

2 (b) If the ~~director of the department~~ chairperson of the commission finds that public  
3 health, safety, or welfare requires emergency action, and incorporates a finding to that effect in  
4 his or her order, summary suspension of license and/or cease and desist may be ordered pending  
5 proceedings for revocation or other action.

6 SECTION 2. Sections 5-43-1 and 5-43-2 of the General Laws in Chapter 5-43 entitled  
7 “Instruction in Jiu-Jitsu or Karate” are hereby repealed.

8 ~~**5-43-1. City and town licensing power.**~~

9 ~~The city and town councils of the several cities and towns may license schools and other~~  
10 ~~institutions offering instruction in jiu jitsu and karate. The fee for this license shall not exceed~~  
11 ~~twenty five dollars (\$25.00); provided, that nonprofit organizations and governmental agencies~~  
12 ~~shall be exempt from paying that fee.~~

13 ~~**5-43-2. Penalty for violations.**~~

14 ~~Any city or town issuing licenses under this chapter may impose a fine not in excess of~~  
15 ~~twenty dollars (\$20.00) upon anyone convicted of offering instruction in jiu jitsu or karate without~~  
16 ~~that license.~~

17 SECTION 3. Section 16-32-2 of the General Laws in Chapter 16-32 entitled "University  
18 of Rhode Island [See Title 16 Chapter 97—The Rhode Island Board of Education Act]" is hereby  
19 amended to read as follows:

20 **16-32-2. Board of Trustees established.**

21 (a) There is hereby created a board of trustees for the university of Rhode Island, sometimes  
22 referred to as the “board” or “board of trustees,” which shall be and is constituted a public  
23 corporation, empowered to sue and be sued in its own name; to borrow money; to compromise and  
24 settle claims; to have a seal; and to make and execute contracts and other instruments necessary or  
25 convenient to the exercise of its powers; and to exercise all the powers, in addition to those  
26 specifically enumerated in this chapter, usually appertaining to public corporations entrusted with  
27 control of postsecondary educational institutions and functions. Upon its organization, the board  
28 shall be vested with the legal title to all property, real and personal, now owned by and/or under  
29 the control or in the custody of the council on postsecondary education for the use of the university  
30 of Rhode Island, including all its departments, divisions, and branches, sometimes referred to as  
31 the property.

32 (b) The board is empowered to hold and operate the property in trust for the state; to  
33 acquire, hold, and dispose of the property and other like property as deemed necessary for the  
34 execution of its corporate purposes. The board is made successor to all powers, rights, duties, and

1 privileges for the university of Rhode Island formerly belonging to the council on postsecondary  
2 education pertaining to postsecondary education and the board of governors for higher education.

3 (c) The board shall be the employer of record for the university. It shall retain all authority  
4 formerly vested in the council on postsecondary education and the board of education regarding  
5 the employment of faculty and staff at the university of Rhode Island. The board shall appoint the  
6 president of the university and shall review their performance on an annual basis.

7 (1) The board is empowered to enter into contracts and agreements with the council on  
8 postsecondary education and/or the department of administration related to employee benefits,  
9 including but not limited to retirement benefits, health, dental, vision and life insurance, disability  
10 insurance, workers' compensation, and tuition waivers to maximize the state's and university's  
11 purchasing and investment portfolio and educational opportunities for the benefit of its employees.

12 (2) The board is empowered to enter into collective bargaining agreements as appropriate  
13 with its employees and all existing collective bargaining agreements in effect when the board is  
14 established pursuant to § 16-32-2.2 shall be transferred from the council on postsecondary  
15 education to the board.

16 (d) The board shall make rules and regulations for the control and use of all public  
17 properties and highways under its care, and for violations of those rules and regulations; penalties,  
18 up to one hundred dollars (\$100) and costs for any one offense, may be imposed by any district  
19 court or police court in the city or town where the violation occurs; and, in general, the board shall  
20 take all actions necessary for the proper execution of the powers and duties granted to, and imposed  
21 upon, the board by the terms of this chapter.

22 (e) The board shall make rules and regulations pursuant to chapter 2 of title 37 to implement  
23 its responsibilities as a public agency for procurement purposes as defined in § 37-2-7(16).

24 (1) Notwithstanding the provisions of § 37-2-22, small procurements made by the board  
25 and the university shall not exceed an aggregate amount of fifty thousand dollars (\$50,000) for  
26 construction and ten thousand dollars (\$10,000) for all other purchases, regardless of the source of  
27 funding, and shall be made in accordance with small purchase regulations promulgated by the  
28 board. These thresholds may be increased annually through an amendment to the small purchase  
29 regulations promulgated by the board of trustees, to reflect the annual increase in the federal  
30 Consumer Price Index published by the United States Department of Labor from the date of any  
31 prior adjustment.

32 (f) The board shall evaluate data on which to base performance of the university as  
33 described in subsection (g) of this section which shall be defined by the president of the university.  
34 These measures may include and incorporate outcomes or goals from multiple, previous years. The



1 lack of information from previous years, however, will not affect the use of performance-based  
2 measures.

3 (g) The university of Rhode Island shall have unique measures consistent with its purpose,  
4 role, scope, and mission. The board shall provide faculty and students an opportunity to provide  
5 input on the development of performance measures.

6 (1) The performance-based measures shall include, but not be limited to, the following  
7 metrics:

8 (i) The number and percentage, including growth in relation to enrollment and prior years  
9 of bachelor's degrees awarded to first-time, full-time students within four (4) years and six (6)  
10 years, including summer graduates;

11 (ii) The number of degrees awarded that are tied to Rhode Island's high demand, high-  
12 wage employment opportunities consistent with the institution's mission;

13 (iii) One metric that applies only to the university, in consultation with the president, which  
14 shall consider faculty, staff, and student input; and

15 (iv) Any other metrics that are deemed appropriate by the board.

16 (2) Weight may be assigned to any of the aforementioned metrics to reinforce the mission  
17 of the university, the economic needs of the state, and the socio-economic status of the students.

18 (h) The board shall hold the university accountable for developing and implementing  
19 transfer pathways for students from the community college of Rhode Island and Rhode Island  
20 college.

21 (i) The board shall adopt a process requiring every academic program at the university to  
22 accept for credit the advanced placement subject test scores of students who obtain a three (3) or  
23 better in any advanced placement course.

24 (j) The board shall supervise, coordinate, and/or authorize audits, civil and administrative  
25 investigations, and inspections or oversight reviews, when necessary, relating to expenditure of  
26 state or federal funds, or to any and all university programs and operations, as well as the  
27 procurement of any supplies, services, or construction, by the university. In the course of an audit  
28 or investigation, the board authorized auditor(s) shall review statutes and regulations of the  
29 university and shall determine if the university is in compliance and shall make recommendations  
30 concerning the efficiency of operations, and the effect of such statutes or regulations on internal  
31 controls and the prevention and detection of fraud, waste, and abuse. The board authorized  
32 auditor(s) may recommend policies or procedures that may strengthen internal controls, or assist in  
33 the prevention or detection of fraud, waste, and abuse or mismanagement. Any audits conducted  
34 shall be transmitted to the office of internal audit [and program integrity](#) established in chapter 7.1

1 of title 35.

2 SECTION 4. Sections 21-28.11-4 and 21-28.11-10.1 of the General Laws in Chapter 21-  
3 28.11 entitled “The Rhode Island Cannabis Act” are hereby amended to read as follows:

4 **21-28.11-4. Cannabis control commission.**

5 **(a) Establishment of commission.** There is hereby established an independent  
6 commission known as the Rhode Island Cannabis Control Commission (commission). The  
7 purpose of the commission is to oversee the regulation, licensing and control of adult use and  
8 medical cannabis and upon transfer of powers pursuant to the provisions of § 21-28.11-10.1, to  
9 exercise primary responsibility to oversee the regulation, licensing and control of all cannabis and  
10 marijuana use to include medical marijuana.

11 **(b) Appointment of commissioners.** The Rhode Island Cannabis Control Commission  
12 shall consist of three (3) voting commissioners as follows:

13 **(1)** The governor shall appoint, with the advice and consent of the senate, the three (3)  
14 voting members of the commission. The speaker of the house shall, within thirty (30) days of the  
15 effective date of this chapter, submit to the governor a list of three (3) individuals that the  
16 governor shall give due consideration in appointing one individual from this list. The governor  
17 shall appoint the other two (2) commissioners without regard to the list submitted by the speaker  
18 of the house. The governor shall designate one of the members to serve as chairperson of the  
19 commission. Within forty (40) days of the effective date of this chapter, the governor shall submit  
20 to the senate for advice and consent the list of three (3) individuals for appointment to the  
21 commission along with the governor’s designation of chairperson.

22 **(2)** Prior to appointment to the commission, a background investigation shall be  
23 conducted into the financial stability, integrity and responsibility of each appointee, including the  
24 appointee’s reputation for good character, and honesty. No commissioner or commissioner’s  
25 spouse, or child shall have any interest whatsoever in any entity regulated by the commission.

26 **(c) Commissioner requirements.** Each commissioner shall be a resident of the state  
27 within ninety (90) days of appointment, and while serving on the commission, shall not:

28 **(1)** Hold, or be a candidate for, federal, state or local elected office;

29 **(2)** Hold an appointed office or other employment in a federal, state or local government;

30 or

31 **(3)** Serve as an official in a political party.

32 **(d) Term Limits.** Term limits on the initial commissioners shall be as follows: The  
33 appointee chosen after consideration of the list provided to the governor by the speaker of the  
34 house shall serve an initial term of three (3) years and shall be eligible for reappointment in

1 accordance with this section. Of the appointees chosen by the governor without regard to the list  
2 submitted by the speaker of the house, one shall serve an initial term of two (2) years, and one  
3 shall serve an initial term of one year and both shall be eligible for reappointment in accordance  
4 with this section.

5 (1) Each initial commissioner is eligible for reappointment for one six (6) year term or  
6 until a successor is appointed. Each subsequent commissioner shall serve for a term of six (6)  
7 years or until a successor is appointed. Every person appointed or reappointed to fill a vacancy on  
8 the cannabis control commission shall be appointed in the manner established pursuant to this  
9 section.

10 (2) If a vacancy is created prior to the expiration of any commissioner's term, said  
11 vacancy shall be filled in the manner established pursuant to this section. Any person appointed to  
12 fill said vacancy shall complete the commissioner's unexpired term and shall then be eligible for  
13 reappointment for one additional term pursuant to this section.

14 (e) **Compensation.** The chairperson of the commission shall devote their full time  
15 attention to the duties of the commission. Upon confirmation, the chairperson shall become a  
16 state employee and shall receive a salary as determined by the governor subject to appropriation  
17 by the general assembly. The remaining commissioners shall not be state employees but shall  
18 receive a monthly stipend as determined by the governor, subject to appropriation by the general  
19 assembly, and shall devote sufficient time and attention to the commission to adequately perform  
20 their duties.

21 (f) **Records.** The commission shall keep a record of the proceedings of the commission  
22 and the chair shall be the custodian and keeper of the records of all books, documents and papers  
23 filed by the commission and of its minute book. The chair shall cause copies to be made of all  
24 minutes and other records and documents of the commission and shall certify that such copies are  
25 true copies and all persons dealing with the commission may rely upon such certification. These  
26 records shall also be subject to the provisions of title 38, "public records." The chair shall have  
27 and exercise supervision and control over all the affairs of the commission. The chair shall  
28 preside at all hearings at which the chair is present and shall designate a commissioner to act as  
29 chair in the chair's absence. To promote efficiency in administration, the chair shall make such  
30 division or re-division of the work of the commission among the commissioners, as the chair  
31 deems expedient.

32 (g) **Conduct of hearings.** The commissioners shall, if so directed by the chair, participate  
33 in the hearing and decision of any matter before the commission.

34 (1) For purposes of this section, "formal matter", as so designated by the chair, shall

1 include all non-procedural matters to include, but not limited to, hearings subject to the provisions  
2 of chapter 35 of title 42 (the “administrative procedures act”) and all decisions relative to the  
3 awarding of a license or to the denial or revocation of licenses. A majority of the commissioners  
4 is required to ~~hear and~~ approve all formal matters.

5 (2) For purposes of this section, “procedural matters”, as so designated by the chair,  
6 include scheduling, inclusion of agenda items, administrative compliance decisions, ministerial  
7 matters, routine clerical functions, and any other act delegated by the commission to be  
8 performed by an employee of the commission or the cannabis office. Any procedural or  
9 administrative matter may be heard, examined and investigated by a single commissioner or an  
10 employee of the commission or the cannabis office as designated and assigned by the chair, with  
11 the concurrence of one other commissioner. If designated by the commission or the cannabis  
12 office, the designated employee shall make a report in writing relative to the hearing, examination  
13 and investigation of every procedural or administrative matter. For the purposes of hearing,  
14 examining and investigating any procedural or administrative matter, the designated employee  
15 shall have all of the powers conferred upon a commissioner by this section. Any procedural or  
16 administrative decision made by a single commissioner or designated employee may be appealed  
17 within ten (10) days of issuance of the decision for a hearing before the full commission.

18 [\(3\) The commission may designate a hearing officer to conduct hearings and make](#)  
19 [recommendations of decision to the commission in contested cases consistent with chapter 35 of](#)  
20 [title 42.](#)

21 (h) **Ethics.** The provisions of chapter 14 of title 36, the state code of ethics, shall apply to  
22 the commissioners and to employees operating under the jurisdiction of the commission to  
23 include, but not limited to, personnel of the cannabis office; provided, however, that the  
24 commission may promulgate an internal code of ethics for all members and employees that may  
25 be more restrictive than the provisions of chapter 14 of title 36. A copy of any internal code of  
26 ethics adopted or as amended shall be filed with the state ethics commission. The internal code  
27 may include provisions reasonably necessary to carry out the purposes of this chapter.

28 (i) **Public body.** The cannabis control commission shall be a public body for the purposes  
29 of chapter 46 of title 42 (the “open meetings act”).

30 (j) **Finance.** The commission shall, for the purposes of compliance with state finance  
31 law, and subject to appropriation by the general assembly, operate as an independent state agency  
32 and shall be subject to the laws applicable to agencies under the control of the governor;  
33 provided, however, that the chairperson may identify any additional instructions or actions  
34 necessary for the department of administration to manage fiscal operations in the state accounting

1 system and meet statewide and other governmental accounting and audit standards. The  
2 commission shall properly classify the commission's operating and capital expenditures, and shall  
3 not include any salaries of employees in the commission's capital expenditures. Unless otherwise  
4 exempted by law, the commission shall participate in any other available state administrative  
5 services including, but not limited to, the state payroll system, the state retirement system, and  
6 state purchases.

7 **(k) Prohibition on discrimination.** The commission and all personnel and employees  
8 operating under the jurisdiction of the commission to include, but not limited to, personnel of the  
9 cannabis office, shall not unlawfully discriminate by considering race, color, religion, sex, sexual  
10 orientation, gender identity or expression, age, national origin, or disability in granting, denying,  
11 or revoking a license, nor shall any person, corporation, or business firm which is licensed  
12 pursuant to the provisions of this chapter unlawfully discriminate against or segregate any person  
13 based on these grounds. All businesses licensed by the commission shall operate on a  
14 nondiscriminatory basis, according to equal employment treatment and access to their services to  
15 all persons, unless otherwise exempted by the laws of the state. Any licensee who fails to comply  
16 with this policy is subject to any disciplinary action that is consistent with the legal authority and  
17 rules and regulations of the commission. The commission shall cooperate with the state equal  
18 opportunity office to prevent any person, corporation, or business firm from unlawfully  
19 discriminating because of race, color, religion, sex, sexual orientation, gender identity or  
20 expression, age, national origin, or disability or from participating in any practice which may  
21 have a disparate effect on any protected class within the population. The state equal opportunity  
22 office shall monitor the equal employment opportunity activities and affirmative action plans of  
23 the commission.

24 **21-28.11-10.1. Transitional period and transfer of authority.**

25 **(a)** To protect public health and public safety, upon the effective date of this chapter  
26 [May 25, 2022] until final issuance of the commission's rules and regulations promulgated  
27 pursuant to the provisions of this chapter, there shall exist a transitional period of regulatory and  
28 enforcement authority regarding the production, possession, regulation, distribution, sale, and use  
29 of cannabis relating to the sale by hybrid cannabis retailers of adult use cannabis pursuant to § 21-  
30 28.11-10.

31 **(b)** During the transitional period, the office of cannabis regulation shall prescribe such  
32 forms, procedures, and requirements as necessary to facilitate the acquisition of hybrid retail and  
33 cultivation licenses by compassion centers and cultivators licensed pursuant to chapter 28.6 of  
34 this title.

1           (c) Such forms, procedures, and requirements shall be posted on the website of the office  
2 of cannabis regulation no later than October 15, 2022, at which time an application period will  
3 commence. Applications shall be received, reviewed, and approved on a rolling basis provided  
4 that in no case shall an approved hybrid retailer begin adult use sales before December 1, 2022.

5           (d) The forms, procedures, and requirements prescribed by the office of cannabis  
6 regulation shall incorporate, but shall not be limited to, the following:

7           (1) Requirements pertaining to the physical premises of hybrid retail licensees. Where  
8 physically possible these shall include prospective licensee plans to physically separate marijuana  
9 and marijuana products designated for adult use and medical sales, respectively, in inventory,  
10 storage, and customer-facing floor and display areas; plans to physically separate sales areas for  
11 adult use and medical sales, which may be provided by a temporary or semi-permanent physical  
12 barrier; plans to provide and maintain a patient consultation area that will allow privacy for  
13 confidential consultation with qualifying patients; and plans to prioritize patient and caregiver  
14 identification verification and physical entry into retail areas in the event of capacity or other  
15 constraints; however, if the premises of a hybrid retail licensee does not allow the licensee to  
16 meet the requirements of this subsection or would cause undue hardship on the licensee, the  
17 office of cannabis regulation may authorize the hybrid retail licensee to conduct adult use sales at  
18 an adjunct location. In authorizing any such adjunct location, the office shall require, at a  
19 minimum, the following:

20           (i) The adjunct location must be physically located within the same municipality and  
21 geographic zone;

22           (ii) The adjunct location must comply with all municipal zoning requirements and obtain  
23 municipal approval;

24           (iii) The approval of any adjunct location will not cause undue hardship upon another  
25 licensed cannabis retailer; and

26           (iv) In the instance that an adjunct location is approved by the office, the hybrid cannabis  
27 retailer shall not be permitted to engage in the sale of cannabis for adult use at more than one  
28 premises.

29           (2) Requirements pertaining to inventory, product, and sales tracking. These shall include  
30 prospective licensee submission of plans to electronically separate finished marijuana products  
31 designated for medical or adult use sales in hybrid licensees' inventory and sales tracking  
32 systems. If prospective hybrid licensees are conducting cultivation activities, they shall submit  
33 plans to distinguish between sales of marijuana or finished marijuana products at wholesale based  
34 on designation for medical or adult use sales.

1           **(3)** Requirements relating to the maintenance of medical marijuana program service  
2 levels. These shall include prospective licensee submission of comprehensive policies and  
3 procedures detailing plans to maintain a sufficient quantity and variety of medical marijuana  
4 products, and if substitutions of medical marijuana products with adult use marijuana products are  
5 to be made, a justification for such substitutions. Prospective hybrid licensees shall also be  
6 required to designate an individual who will be primarily responsible for maintenance of medical  
7 marijuana program service levels and ongoing compliance with existing program requirements,  
8 rules, and regulations.

9           **(4)** Requirements relating to operating plans, policies, and procedures. These shall  
10 include prospective licensee submission, maintenance of, and adherence to a set of written  
11 standard operating procedures that encompass both adult use and medical marijuana service lines.  
12 These operating plans and procedures shall take the form of an updated operations manual as  
13 currently required under medical marijuana program regulations and shall include, but not be  
14 limited to, policies and procedures relating to the maintenance of medical marijuana program  
15 service levels as defined in this section.

16           **(5)** Requirements relating to the advertising of cannabis and cannabis products by hybrid  
17 cannabis retailers who have been permitted to sell adult use cannabis pursuant to the provisions of  
18 this chapter.

19           **(e)** Notwithstanding the foregoing provisions of this section, all prospective and approved  
20 applicants for hybrid cannabis retailer and cannabis cultivator licenses under this chapter shall  
21 maintain compliance with the existing provisions of chapter 28.6 of this title of the general laws  
22 and the regulations promulgated thereunder until final issuance of the commission's rules and  
23 regulations, including, but not limited to, existing restrictions and requirements related to  
24 financial disclosures; registration of owners, managers, key persons, agents, and employees;  
25 product testing; packaging and labeling; transportation; and home delivery.

26           **(f)** Forms, procedures, and requirements relating to this transitional period may be  
27 amended by the office of cannabis regulation or the commission up until the final issuance of the  
28 commission's regulations pursuant to the provisions of this chapter at which time the forms,  
29 procedures, and requirements will be superseded by the commission's final rules and regulations.

30           **(g)** Upon final issuance of the commission's rules and regulations, the following shall  
31 occur:

32           **(1)** All powers, duties and responsibilities of the department of business regulation and  
33 the office of cannabis regulation with respect to the regulation, administration and enforcement of  
34 the provisions of chapter 28.6 of this title [and chapter 26 of title 2](#) shall be transferred to the

1 commission or as designated by the commission to the cannabis office.

2 (2) All powers, duties and responsibilities of the department of environmental  
3 management with respect to regulation, administration and enforcement of chapter 28.6 of this  
4 title shall be transferred to the commission or as designated by the commission to the cannabis  
5 office.

6 (3) All powers, duties and responsibilities of the department of health with respect to  
7 regulation, administration and enforcement of chapter 28.6 of this title shall be transferred to the  
8 commission or as designated by the commission to the cannabis office, except for the following:

9 (i) Administration of registry identification cards to qualified patients; and

10 (ii) Powers delegated to the department pursuant to this chapter or by rules and  
11 regulations of the commission.

12 (4) There shall be established a “cannabis office” with the powers, duties and  
13 responsibilities authorized pursuant to § 21-28.11-18.1.

14 (5) All powers exercised by state agencies, departments and offices pursuant to the  
15 provisions of subsections (a) and (b) of this section relating to transitional period authority shall  
16 cease.

17 (h) Upon final issuance of the commission’s rules and regulations, whenever the term  
18 “office of cannabis regulation” appears in any general law or regulation, the term shall mean the  
19 “cannabis office” as defined in this chapter.

20 SECTION 5. Chapter 23-24.12 of the General Laws entitled “Proper  
21 Management of Unused Paint” is hereby amended by adding thereto the following section:

22 **23-24.12-7. Discontinuation of program.**

23 (a) Effective August 1, 2025, collections of the paint stewardship assessment in  
24 effect pursuant to this chapter shall be discontinued. Any proposed program expenditures by the  
25 representative organization after that date shall be subject to approval by the department.

26 (b) No later than September 30, 2025, the representative organization shall  
27 submit to the department for review and approval a plan to wind down and discontinue the paint  
28 stewardship program. The plan shall include a financial audit of the paint stewardship program as  
29 of August 1, 2025, conducted by an independent auditor in accordance with generally accepted  
30 auditing standards. The department, in consultation with the department of revenue, may approve  
31 the plan as submitted or approve it with conditions as determined by the department. Upon  
32 approval of the plan the representative organization shall immediately begin implementation.

33 (c) No later than December 31, 2025, the representative organization shall  
34 transfer any remaining program funds to the Rhode Island resource recovery corporation for use



1 [in educating the public about the discontinuation of the program and the available options for](#)  
2 [safely disposing of paint.](#)

3 SECTION 6. Effective January 1, 2026, Chapter 23-24.12 of the General Laws  
4 entitled “Proper Management of Unused Paint” is hereby repealed in its entirety.

5 ~~CHAPTER 23-24.12~~

6 ~~Proper Management of Unused Paint~~

7 ~~**23-24.12-1. Purpose.**~~

8 ~~(a) To establish a cost-effective, convenient, statewide system for the collection,~~  
9 ~~recycling and reuse of post-consumer paint.~~

10 ~~(b) To develop a comprehensive strategy, with the cooperation of state entities,~~  
11 ~~producers, and retailers, for the proper management of post-consumer paint in a safe and~~  
12 ~~environmentally sound manner.~~

13 ~~(c) To provide fiscal and regulatory consistency for all producers of paint that~~  
14 ~~participate in the collection system authorized in this chapter.~~

15 ~~(d) To establish effective collection, recycling, management and education~~  
16 ~~programs resulting in collection of amounts of unused paint consistent with the goals and targets~~  
17 ~~established pursuant to this chapter.~~

18 ~~**23-24.12-2. Management of unused architectural paint—Definitions.**~~

19 ~~(1) “Architectural paint” means interior and exterior architectural coatings sold in~~  
20 ~~containers of five (5) gallons or less. Architectural paint does not include industrial, original~~  
21 ~~equipment or specialty coatings.~~

22 ~~(2) “Department” means the department of environmental management.~~

23 ~~(3) “Director” means the director of the department of environmental~~  
24 ~~management.~~

25 ~~(4) “Distributor” means a company that has a contractual relationship with one or~~  
26 ~~more producers to market and sell architectural paint to retailers in this state.~~

27 ~~(5) “Environmentally sound management practices” means procedures for the~~  
28 ~~collection, storage, transportation, reuse, recycling and disposal of architectural paint, to be~~  
29 ~~implemented by the representative organization or such representative organization’s contracted~~  
30 ~~partners to ensure compliance with all applicable federal, state and local laws, regulations and~~

31 ~~ordinances and the protection of human health and the environment. Environmentally sound~~  
32 ~~management practices include, but are not limited to, record-keeping, the tracking and~~  
33 ~~documenting of the use and disposition of post-consumer paint in and outside of this state, and~~  
34 ~~environmental liability coverage for professional services and for the operations of the contractors~~

1 ~~working on behalf of the representative organization.~~

2 ~~(6) "Paint stewardship assessment" means the amount added to the purchase~~  
3 ~~price of architectural paint sold in this state that is necessary to cover the cost of collecting,~~  
4 ~~transporting and processing post-consumer paint by the representative organization pursuant to~~  
5 ~~the paint stewardship program.~~

6 ~~(7) "Post-consumer paint" means architectural paint that is not used and that is no~~  
7 ~~longer wanted by a purchaser of architectural paint.~~

8 ~~(8) "Producer" means a manufacturer of architectural paint who sells, offers for~~  
9 ~~sale, distributes or contracts to distribute architectural paint in this state.~~

10 ~~(9) "Recycling" means any process by which discarded products, components~~  
11 ~~and by-products are transformed into new, usable or marketable materials in a manner in which~~  
12 ~~the original products may lose their identity.~~

13 ~~(10) "Representative organization" means the nonprofit organization created by~~  
14 ~~producers to implement the paint stewardship program described in § 23-24.11-3.~~

15 ~~(11) "Retailer" means any person who offers architectural paint for sale at retail~~  
16 ~~in this state.~~

17 ~~(12) "Reuse" means the return of a product into the economic stream for use in~~  
18 ~~the same kind of application as the product was originally intended to be used, without a change~~  
19 ~~in the product's identity.~~

20 ~~(13) "Sell" or "sale" means any transfer of title for consideration including, but~~  
21 ~~not limited to, remote sales conducted through sales outlets, catalogues, the Internet or any other~~  
22 ~~similar electronic means.~~

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

24 ~~(a) On or before March 1, 2014, each producer shall join the representative~~  
25 ~~organization and such representative organization shall submit a plan for the establishment of a~~  
26 ~~paint stewardship program to the department for approval. The program shall minimize the public~~  
27 ~~sector involvement in the management of post-consumer paint by reducing the generation of post-~~  
28 ~~consumer paint, negotiating agreements to collect, transport, reuse, recycle, and/or burn for~~  
29 ~~energy recovery at an appropriately licensed facility post-consumer paint using environmentally~~  
30 ~~sound management practices.~~

31 ~~(b) The program shall also provide for convenient and available state-wide~~  
32 ~~collection of post-consumer paint that, at a minimum, provides for collection rates and~~  
33 ~~convenience greater than the collection programs available to consumers prior to such paint~~  
34 ~~stewardship program; propose a paint stewardship assessment; include a funding mechanism that~~

1 ~~requires each producer who participates in the representative organization to remit to the~~  
2 ~~representative organization payment of the paint stewardship assessment for each container of~~  
3 ~~architectural paint sold within the state; include an education and outreach program to help ensure~~  
4 ~~the success of the program; and, work with the department and Rhode Island commerce~~  
5 ~~corporation to identify ways in which the state can motivate local infrastructure investment,~~  
6 ~~business development and job creation related to the collection, transportation and processing of~~  
7 ~~post-consumer paint.~~

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

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

11 ~~(2) Identify how the representative organization will provide convenient,~~  
12 ~~statewide accessibility to the program;~~

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

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

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

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

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

22 ~~(8) Include the targeted annual collection rate;~~

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

25 ~~(10) Be accompanied by a fee in the amount of two thousand five hundred dollars~~  
26 ~~(\$2,500) to be deposited into the environmental response fund to cover the review of said plan by~~  
27 ~~the department.~~

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

30 ~~(1) Approve the plan as submitted;~~

31 ~~(2) Approve the plan with conditions; or~~

32 ~~(3) Deny the plan.~~

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

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

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

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

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

29                   ~~(j) Not later than the implementation date of the paint stewardship program, the~~  
30 ~~department shall list the names of participating producers the brands of architectural paint~~  
31 ~~covered by such paint stewardship program and the cost of the approved paint stewardship~~  
32 ~~assessment on its website.~~

33                   ~~(k)(1) On and after the implementation date of the paint stewardship program, no~~  
34 ~~producer, distributor or retailer shall sell or offer for sale architectural paint to any person in this~~

1 ~~state if the producer of such architectural paint is not a member of the representative organization.~~

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

6 ~~(1) Producers or the representative organization shall provide retailers with~~  
7 ~~educational materials regarding the paint stewardship assessment and paint stewardship program~~  
8 ~~to be distributed at the point of sale to the consumer. Such materials shall include, but not be~~  
9 ~~limited to, information regarding available end-of-life management options for architectural paint~~  
10 ~~offered through the paint stewardship program and information that notifies consumers that a~~  
11 ~~charge for the operation of such paint stewardship program is included in the purchase price of all~~  
12 ~~architectural paint sold in this state.~~

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

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

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

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

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

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

25 ~~(6) Samples of all educational materials provided to consumers of architectural~~  
26 ~~paint and participating retailers; and~~

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

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

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

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

1 ~~(3) There is a revision of the product stewardship organization's goals; or~~  
2 ~~(4) Every four (4) years, if requested, in writing, by the department the~~  
3 ~~representative organization shall notify the department annually, in writing, if there are no~~  
4 ~~changes proposed to the program and the representative organization intends to continue~~  
5 ~~implementation of the program as previously approved by the department.~~

6 **23-24.12-4. Regulations.**

7 The department shall promulgate regulations recognizing conditionally exempt small  
8 quantity generators of hazardous waste consistent with federal Environmental Protection Agency  
9 standards. The department is hereby authorized to promulgate additional rules and regulations as  
10 necessary to implement and carry out the provisions of this chapter.

11 **23-24.12-5. Violations.**

12 A violation of any of the provisions of this chapter or any rule or regulation  
13 promulgated pursuant to § 23-24.11-4 shall be punishable by a civil penalty not to exceed one  
14 thousand dollars (\$1,000). In the case of a second and any subsequent violation, the civil penalty  
15 shall not exceed five thousand dollars (\$5,000) for each violation.

16 **23-24.12-6. Reporting to the general assembly.**

17 Not later than January 15, 2016, and biennially thereafter, the director shall  
18 submit a report to the general assembly that describes the results and activities of the paint  
19 stewardship program as enacted pursuant to this chapter including any recommendations to  
20 improve the functioning and efficiency of the paint collection program, as necessary.

21 SECTION 7. Section 28-42-51 of the General Laws in Chapter 28-42 entitled  
22 "Employment Security — General Provisions" is hereby amended to read as follows:

23 **28-42-51. Additional functions and duties of director of administration.**

24 In addition to and/or in lieu of the sections enumerated in § 28-42-50, the director of  
25 administration shall perform, at the department of labor and training, in the manner and to the  
26 extent that the director may prescribe, the following functions and duties:

27 (1) Establish and maintain a current system of internal financial controls and checks  
28 necessary to insure the proper handling of accounts in connection with the employment security  
29 fund and the employment security administration account created by this chapter, by conducting a  
30 continuous pre-audit or a continuous post-audit or by conducting a combination of both (pre-audit  
31 or post-audit). The cost of these post-audit activities by the office of internal audit and program  
32 integrity in the department of administration shall be reimbursed in full by the department;

33 (2) Establish and maintain any methods, procedures, and systems of accounting that may  
34 be deemed necessary; those records and accounts to be considered, for all purposes, the official

1 records of the state and department;

2 (3) Prepare and furnish financial and any other reports that may be required; and

3 (4) Perform any other related functions and duties that may be required by chapters 42 —  
4 44 of this title.

5 SECTION 8. Section 35-1.1-4 of the General Laws in Chapter 35-1.1 entitled "Office of  
6 Management and Budget" is hereby amended to read as follows:

7 **35-1.1-4. Offices and functions assigned to the office of management and budget —**  
8 **Powers and duties.**

9 (a) The offices assigned to the office of management and budget include the budget  
10 office, the office of regulatory reform, the performance management office, and the office of  
11 internal audit and program integrity.

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

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

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

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

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

26 SECTION 9. Section 35-3-24.1 of the General Laws in Chapter 35-3 entitled "State  
27 Budget" is hereby amended to read as follows:

28 **35-3-24.1. Program performance measurement.**

29 (a) Beginning with the fiscal year ending June 30, 1997, the governor shall submit, as  
30 part of each budget submitted to the general assembly pursuant to § 35-3-7, performance  
31 objectives for each program in the budget for the ensuing fiscal year, estimated performance data  
32 for the fiscal year in which the budget is submitted, and actual performance data for the preceding  
33 two (2) completed fiscal years. Performance data shall include efforts at achieving equal  
34 opportunity hiring goals as defined in the department's annual affirmative action plan. The

1 governor shall, in addition, recommend appropriate standards against which to measure program  
2 performance. Performance in prior years may be used as a standard where appropriate. These  
3 performance standards shall be stated in terms of results obtained.

4 (b) The governor may submit, in lieu of any part of the information required to be  
5 submitted pursuant to subsection (a), an explanation of why the information cannot as a practical  
6 matter be submitted.

7 (c)(1) The office of management and budget shall be responsible for managing and  
8 collecting program performance measures on behalf of the governor. The office is authorized to  
9 conduct performance reviews and audits of agencies to determine the manner and extent to which  
10 executive branch agencies achieve intended objectives and outcomes.

11 (2) In order to collect performance measures from agencies, review performance, and  
12 provide recommendations, the office of budget and management is authorized to coordinate with  
13 the office of internal audit [and program integrity](#) regarding the findings and recommendations  
14 that result from audits conducted by the office.

15 (3) In order to facilitate the office of management and budget's performance reviews,  
16 agencies must generate and provide timely access to records, reports, analyses, audits, reviews,  
17 documents, papers, recommendations, contractual deliverables, or other materials available  
18 relating to agency programs and operations.

19 (4) In order to ensure alignment of executive branch agency operations with the state's  
20 priorities, the office of management and budget may produce, with all necessary cooperation  
21 from executive branch agencies, analyses and recommendations to improve program  
22 performance, conduct evidence-based budgeting, and respond to sudden shifts in policy  
23 environments.

24 (5) In order to gain insight into performance or outcomes and inform policymaking and  
25 program evaluation, the office of management and budget may lead, manage, and/or coordinate  
26 interagency and cross-system collaboration or integration initiatives.

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

29 **35-7-15. Audit of information security systems.**

30 (a) The general assembly recognizes that the security of government computer systems is  
31 essential to ensuring the stability and integrity of vital information gathered and stored by the  
32 government for the benefit of the citizenry and the breach of security over computer systems  
33 presents a risk to the health, safety, and welfare of the public. It is the intent of the legislature to  
34 ensure that government computer systems and information residing on these systems are



1 protected from unauthorized access, compromise, sabotage, hacking, viruses, destruction, illegal  
2 use, cyber attack, or any other act that might jeopardize or harm the computer systems and the  
3 information stored on them.

4 (b) In conjunction with the powers and duties outlined in this chapter, the office of  
5 internal audit [and program integrity](#) may conduct reviews and assessments of the various  
6 government computer systems and the security systems established to safeguard these computer  
7 systems. Computer systems subject to this section shall include systems that pertain to federal,  
8 state, or local programs, and quasi-governmental bodies, and the computer systems of any entity  
9 or program that is subject to audit by the office of internal audit [and program integrity](#). The office  
10 of internal audit ~~s~~ [and program integrity](#)'s review may include an assessment of system  
11 vulnerability, network penetration, potential security breaches, and susceptibility to cyber attack  
12 and cyber fraud.

13 (c) The office of internal audit [and program integrity](#)'s findings shall be deemed public  
14 records and available for public inspection; provided, however, in the event the review indicates a  
15 computer system is vulnerable, or security over the system is otherwise deficient, reasonably  
16 segregable portions of the findings shall be subject to public inspection after the redaction of any  
17 information, the disclosure of which, would endanger the security of the system or reveal the  
18 specific nature of the vulnerabilities found. Notwithstanding any other provision of law to the  
19 contrary, the work papers developed in connection with the review of computer systems and the  
20 security over those systems authorized by this section shall not be deemed public records and are  
21 not subject to disclosure.

22 (d) In order to maintain the integrity of the computer system, the office of internal audit  
23 [and program integrity](#) may procure the services of specialists in information security systems or  
24 other contractors deemed necessary in conducting reviews under this section, and in procuring  
25 those services shall be exempt from the requirements of the state purchasing law or regulation.

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

28 SECTION 11. TITLE 35 of the General Laws entitled "Public Finance" is hereby  
29 amended as follows:

30 CHAPTER 7.1

31 The Office of Internal Audit [and Program Integrity](#)

32 SECTION 12. Sections 35-7.1-1, 35-7.1-2, 35-7.1-3, 35-7.1-4, 35-7.1-6, 35-7.1-8, and  
33 35-7.1-10 of the General Laws in Chapter 35-7.1 entitled "The Office of Internal Audit" are  
34 hereby amended to read as follows:

1 **35-7.1-1. Establishment of the office of internal audit and program integrity.**

2 (a) There is hereby established within the office of management and budget an office of  
3 internal audit and program integrity. Within the office of internal audit and program integrity,  
4 there shall be a chief, appointed by the director of administration, who shall be the administrative  
5 head of the office. The person so selected to be the chief shall be selected without regard to  
6 political affiliation and with a demonstrated ability in the following areas: accounting, auditing,  
7 financial analysis, investigation, management analysis, and public administration. The office of  
8 internal audit and program integrity will report to the office of management and budget director.  
9 Any reference in general law to the “bureau of audits” or “office of internal audit” shall mean the  
10 office of internal audit and program integrity.

11 (b) The purpose of the office is to prevent and detect fraud, waste, abuse, and  
12 mismanagement in the expenditure of public funds including:

13 (1) All state programs and operations;

14 (2) The procurement of any supplies, services, or construction by state agencies, bureaus,  
15 divisions, sections, departments, offices, commissions, institutions, and activities of the state; and

16 (3) The procurement or expenditure of public funds by organizations or individuals.

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

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

28 ~~(d)~~ ~~Purposes and scope.~~ The office of internal audit and program integrity is authorized  
29 to conduct audits of any state department, state agency, or private entity that is a recipient of state  
30 funding or state grants. In addition, the office of internal audit and program integrity is  
31 authorized, but not limited to, evaluating the efficiency of operations and internal controls,  
32 preventing and detecting fraud, waste, abuse, or mismanagement in the expenditure of public  
33 funds, whether federal, state, or local, that are related to any and all state programs and operations  
34 as well as the procurement of any goods, services, or construction, by public bodies. As deemed

1 necessary or expedient by the office of internal audit [and program integrity](#), audits may be made  
2 relative to the financial affairs or the economy and efficiency of management of each department,  
3 agency or public body. The office of internal audit [and program integrity](#) shall determine which  
4 such audits shall be performed in accordance with a risk-based evaluation.

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

13 **35-7.1-2. Duties.**

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

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

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

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

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

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

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

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

19 [\(d\) The chief of internal audit and program integrity, or their designee, may investigate](#)  
20 [reports of any person who, either prior to, or at the time of, or subsequent to the application for](#)  
21 [public assistance:](#)

22 [\(1\) Willfully makes a false statement or misrepresentation;](#)

23 [\(2\) Impersonates someone else;](#)

24 [\(3\) Willfully fails to disclose a material fact regarding eligibility or other fraudulent](#)  
25 [means; or](#)

26 [\(4\) Secures, aids, or abets, or attempts to secure, aid, or abet, others in securing public](#)  
27 [assistance \(including Supplemental Nutrition Assistance Program \(SNAP\) or Medicaid\) through](#)  
28 [fraudulent actions.](#)

29 [\(e\) The chief of internal audit and program integrity, or their designee, is authorized to:](#)

30 [\(1\) Coordinate, conduct, and/or support investigations aimed at preventing detecting,](#)  
31 [fraud, waste, abuse, and mismanagement in public assistance programs;](#)

32 [\(2\) Coordinate and support state and local efforts to investigate and eliminate fraud in](#)  
33 [public assistance programs;](#)

34 [\(3\) Work to recover both state and federal funds related to fraudulent activities.](#)

1 (f) In the course of these investigations, the office of internal audit and program integrity  
2 shall collaborate with local law enforcement agencies, the Rhode Island department of human  
3 services, the Rhode Island state police, the Rhode Island attorney general, or other local, state,  
4 and federal entities as needed to complete the investigations.

5 (g) The office shall identify methods to implement innovative technology and data  
6 sharing in order to detect, analyze, and prevent fraud, waste, and abuse.

7 **35-7.1-3. Investigations or management advisory and consulting services upon**  
8 **request of governor or general assembly.**

9 The office of internal audit and program integrity may, upon the written request of the  
10 governor or of the general assembly, conduct audits, provide management advisory and  
11 consulting services, or conduct investigations relative to the financial affairs or the economy and  
12 efficiency of management, or both, of any public bodies as defined in § 35-7.1-1(e). The office of  
13 internal audit and program integrity may, from time to time, make such investigations and  
14 additional reports to the governor, the director of the department of administration, the director of  
15 the office of management and budget, and the general assembly as deemed necessary or  
16 advisable.

17 **35-7.1-4. Management advisory and consulting services provided to public bodies.**

18 When requested in writing by a public body to the chief, the office of internal audit and  
19 program integrity may provide management advisory or consulting services to the public body.  
20 Any such request must include the scope of services requested and a schedule for the work to be  
21 performed.

22 **35-7.1-6. Inspection of records, ~~and~~ papers, and witness testimony – Investigations**  
23 **and Subpoenas.**

24 (a) The chief, in carrying out the duties outlined in this chapter, shall have access to all  
25 records, reports, audits, reviews, papers, books, documents, recommendations, correspondence,  
26 including information relative to the purchase of goods or services or anticipated purchase of  
27 goods or services, from any agent, contractor, or vendor by any public body, as defined in § 35-  
28 7.1-1(e), and any other data and material that is maintained by or available to any public body  
29 regardless of the media in which it is maintained which is in any way related to the programs and  
30 operations with respect to public bodies.

31 (b) The chief may request information and records, cooperation, and assistance from any  
32 state, or local governmental agency as may be necessary for carrying out his/her duties and  
33 responsibilities. Upon receipt of such request, each person in charge of the public body shall  
34 furnish to the chief, or his/her authorized agent or representative, such information and records,

1 cooperation and assistance, including information relative to the purchase of goods or services or  
2 anticipated purchase of goods or services from any contractor or vendor by any public body,  
3 within ten (10) business days of receipt of the chief's request. If the public body is unable to  
4 comply with the request for records and/or information within (10) business days, the public body  
5 must notify the chief, prior to the expiration of the ten (10) business days, in writing as to the  
6 reason, or reasons, why the request cannot be fulfilled within this time and whether additional  
7 time is necessary.

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

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

14 (e) In furtherance of carrying out any of the duties of this chapter, the chief may request,  
15 with the written approval of the director of the department of administration and through an  
16 administrative subpoena, the attendance and testimony of witnesses and the production of books,  
17 records, and other evidence relevant to an active fraud investigation as described in this chapter.  
18 The subpoena shall specify the time, date, and place where the witness is to respond. Within  
19 twenty (20) days after the service of the subpoena or at any time before the return date specified  
20 in the subpoena, whichever period is shorter, the person served may file in a state superior court  
21 and serve upon the unit and the attorney general a civil petition for an order of the court  
22 modifying or setting aside the subpoena. The petition shall specify each ground upon which the  
23 petitioner is seeking relief. If a person neglects or refuses to comply with any request to provide  
24 testimony or produce books, records, and other evidence relevant to an investigation, the office of  
25 internal audit and program integrity or the attorney general may petition the superior court for an  
26 order compelling the person to answer the request. Books, records, and other evidence obtained  
27 through an administrative subpoena that are not used in a court proceeding shall be destroyed as  
28 soon as practicable.

29 **35-7.1-8. Reports to the state police.**

30 In carrying out his/her duties and responsibilities, the chief shall report to the Rhode  
31 Island state police whenever the chief has reasonable grounds to believe there has been a  
32 violation of federal or state criminal law. The chief shall also refer findings to the state ethics  
33 commission, or to any other federal, state, or local agency with an interest in said findings, in the  
34 discretion of the chief. Any referrals made under this section shall not be made public by the

1 office of internal audit [and program integrity](#).

2 **35-7.1-10. [Audit and Annual](#) ~~and interim~~ reports.**

3 (a) The office of internal audit [and program integrity](#) shall prepare an annual report  
4 summarizing the activities of the office of internal audit [and program integrity](#) for the prior fiscal  
5 year. The office of internal audit [and program integrity](#) may also prepare interim performance  
6 reports. These reports shall be presented to the director of management and budget. The annual  
7 reports shall be posted on the office's website.

8 (b) The annual report shall include, but not be limited to: a general description of  
9 significant problems in the areas of efficiencies, internal controls, fraud, waste, and abuse within  
10 programs and operations within the jurisdiction of the office; a general description of the  
11 recommendations for corrective actions made by the office during the reporting period with  
12 respect to significant deficiencies in the areas of efficiencies, internal controls, fraud, waste, and  
13 abuse; the identification of each significant recommendation described in previous annual reports  
14 on which corrective action has not been completed; a summary of matters referred to prosecuting  
15 authorities; a summary of any matters concerning the recovery of monies as a result of an audit  
16 finding or civil suit or a referral to another agency for the purposes of such suit; a list of all audit  
17 reports completed by the office during the reporting period; and a statement of recommendations  
18 of amendment to this chapter or the rules, regulations, or procedures governing the office of  
19 internal audit [and program integrity](#) that would improve the effectiveness or the operations of the  
20 office.

21 (c) The annual report of the office of internal audit [and program integrity](#) shall be made  
22 public on the day of filing.

23 (d) [At the conclusion of each formal audit, the office of internal audit and program](#)  
24 [integrity shall produce an audit report which contains, but is not limited to, the scope of the audit,](#)  
25 [findings, and recommendations.](#) Within twenty (20) calendar days following the date of the  
26 issuance of the management-response copy of the draft audit report, the head of the department,  
27 agency, public body, or private entity audited shall respond, in writing, to each recommendation  
28 made in the audit report. This response shall address the department's, agency's, or public body's  
29 or private entity's plan of corrective action, the party responsible to implement the corrective  
30 action plan, and the anticipated date to complete the implementation of the corrective action; and,  
31 if applicable, the reasons for disagreement with any recommendation proposed in the audit report  
32 and justification of management's acceptance of risk. The office of internal audit [and program](#)  
33 [integrity](#) may perform follow-up procedures for the purpose of determining whether the  
34 department, agency, public body, or private entity has implemented, in an efficient and effective

1 manner, its plan of correction action for the recommendations proposed in the audit report or  
2 addressed the risk discussed in the audit report.

3 (e) Copies of each audit report, inclusive of management’s responses noted in subsection  
4 (d) shall be submitted to the chairpersons of the house finance committee, and the senate finance  
5 committee and posted on the office’s website.

6 SECTION 13. Chapter 35-7.1 of the General Laws entitled “The Office of Internal  
7 Audit” is hereby amended by adding thereto the following section:

8 **35-7.1-11. Civil actions.**

9 The chief of the office of internal audit and program integrity shall have the  
10 authority to initiate civil recovery actions. In any case where the office of internal audit and  
11 program integrity has discovered fraudulent acts and believes that civil recovery proceedings may  
12 be appropriate, the chief may authorize the initiation of appropriate civil proceedings or refer the  
13 case to the appropriate state agency for civil recovery.

14 SECTION 14. Effective January 1, 2026, section 37-2-12 of the General Laws in Chapter  
15 37-2 entitled "State Purchases" is hereby amended to read as follows:

16 **37-2-12. Centralization of the procurement authority.**

17 (a) All rights, powers, duties, and authority relating to the procurement of supplies,  
18 services, and construction, and the management, control, warehousing, sale, and disposal of  
19 supplies, services, and construction now vested in or exercised by any state agency under the  
20 several statutes relating thereto are hereby transferred to the chief purchasing officer as provided  
21 in this chapter, subject to the provisions of § 37-2-54. A public agency does not have to utilize the  
22 centralized purchasing of the state but the public agency, through its existing internal purchasing  
23 function, shall adhere to the general principles, policies and practices set forth in this chapter.

24 (b) The chief purchasing officer, as defined in § 37-2-7(3)(i), may establish, charge, and  
25 collect from state contractors, ~~listed on master price agreements, an statewide contract~~  
26 administrative fee not to exceed one-third of one percent (0.334%) of the total value of the annual  
27 spend against a contract awarded to a state contractor. All ~~statewide~~ contract administrative fees  
28 collected pursuant to this subsection shall be deposited into a restricted-receipt account within the  
29 general fund designated as the “division of purchases administrative-fee account” and shall be  
30 used for the purposes of implementing, maintaining, or operating technology for the submission  
31 and processing of bids, online vendor registration, bid notification, and other costs related to state  
32 procurement including staffing. On or before January 15, 2019, and annually thereafter on or  
33 before January 15, the chief purchasing officer or designee shall file a report with the governor,  
34 the speaker of the house, and the president of the senate detailing:



- 1 (i) The total amount of funds collected and deposited into the division of purchases  
2 administrative-fee account for the most recently completed fiscal year;
- 3 (ii) The account balance as of the date of the report;
- 4 (iii) An itemization of all expenditures and other uses of said funds from said account for  
5 the most recently completed fiscal year; and
- 6 (iv) An annual evaluation as to the appropriateness of the amount of the contract  
7 administrative fee ~~on master price agreements~~.

8 (c) Subject to the approval of the director of the department of administration, the state  
9 controller is authorized to offset any currently recorded outstanding liability on the part of  
10 developmental disability organizations (DDOs) to repay previously authorized startup capital  
11 advances against the proceeds from the sale of group homes within a fiscal year prior to any sale  
12 proceeds being deposited into the information technology restricted receipt account established  
13 pursuant to § 42-11-2.5(a).

14 SECTION 15. Chapter 42-6.2 of the General Laws entitled "2021 Act on Climate" is  
15 hereby amended by adding thereto the following section:

16 **42-6.2-13. State Facilities Benchmarking and Performance Standards Program**

17 **(a) Definitions**

18 **(1) "Department" shall mean all state departments enumerated in R.I. Gen. Laws § 42-6-3**  
19 **and shall additionally include the executive office of health and human services, the executive**  
20 **office of commerce, and the department of housing.**

21 **(2) "State-owned, state-occupied facilities" shall mean buildings owned by the state that**  
22 **primarily contain offices or other administrative workspace for state employees and are at least**  
23 **25,000 gross square feet.**

24 **(b) State Facilities Energy Usage Reporting**

25 **(1) State departments, coordinated and supported by the office of energy resources, shall**  
26 **be required to measure and report monthly energy usage by energy source for their respective**  
27 **state-owned, state-occupied facilities, as well as the gross square footage for each building.**

28 **(2) Beginning March 31, 2026, and recurring annually thereafter, departments,**  
29 **coordinated and supported by the office of energy resources, shall report energy use data by**  
30 **source for state-owned, state-occupied facilities for the preceding calendar year through the office**  
31 **of energy resources. No later than 180 days from the March 31 reporting deadline each year, the**  
32 **office of energy resources shall compile and publish each facility's energy use data by fuel and**  
33 **total emissions.**

34 **(c) State Facilities Benchmarking and Performance Standards Program**

1           (1) Utilizing the data due March 31, 2027, in subsection (b)(2), the office of energy  
2 resources shall, with consultation from departments, develop and publish performance standards  
3 for state-owned, state-occupied facilities by March 31, 2028. The office of energy resources must  
4 receive approval from the executive climate change coordinating council before publishing the  
5 performance standards and before publishing any revision to the standards thereafter. The  
6 performance standards published must include:

7           (i) An annualized emissions standard based on energy usage for each state-owned, state-  
8 occupied facility as necessary, to achieve by specified dates;

9           (ii) A schedule for compliance terminating in 2050; and

10          (iii) The cost-benefit analysis used to determine which state-owned, state-occupied  
11 facilities are assigned performance standards, as set forth in subsection (c)(2) below.

12          (2) The performance standards shall be determined by evaluating:

13          (i) The total amount of emissions reductions that could be achieved while maintaining  
14 state operations;

15          (ii) The relative contribution of the emissions reductions to decadal targets established by  
16 R.I. Gen. Laws § 42-6.2-2 compared to other strategies, programs, and actions established by the  
17 executive climate change coordinating council in its plan due December 31, 2025 in accordance  
18 with subsection (2)(i) of R.I. Gen. Laws § 42-6.2-2; and

19          (iii) The fiscal impacts of achieving the performance standards.

20          (3) The departments shall meet the performance standards set in accordance with  
21 subsection (c)(2). No later than 90 days after each specified compliance date established in  
22 accordance with subsection (c)(1), the office of energy resources shall publish a performance  
23 standards compliance report demonstrating the status of each state-owned, state-occupied facility  
24 subject to a performance standard. In the event that a state-owned, state-occupied facility fails to  
25 meet a performance standard, the office of energy resources must include a corrective action plan  
26 due within 90 days of the compliance deadline.

27          (4) Subsections (c)(1), (c)(2), and (c)(3) shall not apply to state-owned, state-occupied  
28 facilities for which the executive climate change coordinating council determines are not suitable  
29 candidates for achieving greenhouse gas emission reductions due to economic infeasibility or  
30 unique operational or physical limitations. Any such determinations shall be published in addition  
31 to the standards required in subsection (c)(2).

32          (d) Implementation

33          (1) The executive climate change coordinating council may allocate funds from the  
34 restricted receipt account established in R.I. Gen. Laws § 42-6.2-3.1 as necessary for the

1 [implementation of this program.](#)

2 [\(2\) State departments shall work with the office of energy resources to develop a](#)  
3 [methodology for reporting and/or setting building performance standards for state-owned, state-](#)  
4 [occupied facilities that are within a campus served by a central utility plant and do not have](#)  
5 [submetering capabilities.](#)

6 SECTION 16. Section 42-7-8 of the General Laws in Chapter 42-7 entitled "Executive  
7 Department" is hereby amended to read as follows:

8 **42-7-8. American Recovery and Reinvestment Act administration expenses.**

9 (a) There is hereby created restricted receipt accounts, within the office of the governor,  
10 for the office of economic recovery and reinvestment, and within the department of  
11 administration for the office of internal audit [and program integrity](#) and the division of  
12 purchasing, to be known as ARRA administrative expense accounts. Payments from the accounts  
13 shall be limited to expenses for administrative oversight of American Recovery and Reinvestment  
14 Act (ARRA) funds. The governor's office of economic recovery and reinvestment is authorized  
15 by OMB memorandum 09-18 to receive up to one-half percent (0.5%) of stimulus funding to  
16 cover oversight expenses.

17 (b) All amounts deposited in the ARRA administration accounts shall be exempt from the  
18 indirect cost recovery provisions of § 35-4-27.

19 (c) It is hereby provided, at the end of the American Recovery and Reinvestment Act  
20 oversight period, balances from the ARRA administrative accounts shall revert to general  
21 revenues.

22 SECTION 17. Section 42-11-2.9 of the General Laws in Chapter 42-11 entitled  
23 "Department of Administration" is hereby amended to read as follows:

24 **[42-11-2.9. Division of capital asset management and maintenance established.](#)**

25 (a) Establishment. Within the department of administration there shall be established the  
26 division of capital asset management and maintenance ("DCAMM"). Any prior references to the  
27 division of facilities management and/or capital projects, if any, shall now mean DCAMM.  
28 Within the DCAMM there shall be a director of DCAMM who shall be in the classified service  
29 and shall be appointed by the director of administration. The director of DCAMM shall have the  
30 following responsibilities:

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

33 (2) Review agency capital-budget requests to ensure that the request is consistent with  
34 strategic and master facility plans for the state of Rhode Island;

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

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

6 (c) Duties and responsibilities of DCAMM. DCAMM shall have the following duties  
7 and responsibilities:

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

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

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

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

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

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

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

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

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

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

30 (ii) Care, maintenance, cleaning, and contracting for such services as necessary for state  
31 property;

32 (iii) Capital equipment replacement;

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

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

1 (vi) Responding to facilities emergencies;  
2 (vii) Managing traffic flow on state property;  
3 (viii) Grounds keeping/landscaping/snow-removal services;  
4 (ix) Maintenance and protection of artwork and historic artifacts;  
5 (x) On or before August 31, 2022, and each April 1 thereafter to submit to the division of  
6 municipal finance a comprehensive list of all real property owned by the state as of the preceding  
7 December 31 to facilitate the purposes of § 45-13-5.1. The comprehensive list and all other  
8 information provided shall be in a format prescribed by the division of municipal finance. The  
9 division of municipal finance shall subsequently provide to DCAMM a certified list of all  
10 properties eligible under § 45-13-5.1 for identification in the statewide database established under  
11 subsection (d) of this section. Any changes to the comprehensive list of all real property owned  
12 by the state after the list has been supplied to the division of municipal finance shall require  
13 notification to the division of municipal finance within thirty (30) days;

14 (4) To manage and oversee state fleet operations.

15 (d)(1) All state agencies shall participate in a statewide database and/or information  
16 system for capital assets, that shall be established and maintained by DCAMM.

17 (2) Beginning January 1, 2023, all state agencies, departments, boards, commissions,  
18 corporations, authorities, quasi-state agencies, councils, or other political subdivisions that utilize  
19 real property shall provide DCAMM any information, documentary and otherwise, that may be  
20 necessary or desirable to facilitate the purposes of subsection (c)(3)(x) of this section by March 1  
21 annually, or subsection (d)(1) of this section as required by DCAMM. The administrative head of  
22 each submitting entity shall attest to the accuracy and completeness of the information in writing.

23 (e) Offices and boards assigned to DCAMM. DCAMM shall oversee the following  
24 boards, offices, and functions:

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

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

27 (3) [Deleted by P.L. 2018, ch. 47, art. 3, § 7.]

28 (4) [Deleted by P.L. 2018, ch. 47, art. 3, § 7.]

29 ~~(5) Office of risk management (§ 37-11-1 et seq.);~~

30 (6) [Deleted by P.L. 2018, ch. 47, art. 3, § 7.]

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

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

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

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

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

2 (2) Provide such assistance or resources as may be requested or required by the director  
3 of DCAMM or the director of administration;

4 (3) Provide such records and information as may be requested or required by the director  
5 of DCAMM or the director of administration; and

6 (4) Except as provided herein, no provision of this chapter or application thereof shall be  
7 construed to limit or otherwise restrict the offices stated above from fulfilling any statutory  
8 requirement or complying with any valid rule or regulation.

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

11 **42-13-2. Organization and functions of the department.**

12 (a) The department shall be organized in accordance with a project management-based  
13 program and shall utilize an asset management system.

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

17 (i) Managing and reporting on the delivery status of portfolio projects;

18 (ii) Developing overall workload and budget for the portfolio;

19 (iii) Developing and implementing the tools to estimate the resources necessary to deliver  
20 the projects; and

21 (iv) Developing and implementing processes and tools to improve the management of the  
22 projects.

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

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

28 (ii) Monitoring system performance; and

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

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

33 (c) The department shall be organized into such divisions as are described in this section  
34 and such other divisions, subdivisions, and agencies as the director shall find are necessary to

1 carry out the responsibilities of the department, including: division of finance; division of  
2 planning; division of project management; division of operations and maintenance; office of civil  
3 rights; office of safety; office of external affairs; office of legal; office of personnel; office of  
4 information services.

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

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

12 (f) Any functions, duties, and staff relating to the Rhode Island department of  
13 transportation's external audit section shall be transferred to the Rhode Island department of  
14 administration's office of internal audit [and program integrity](#), or its successor, upon passage  
15 [Feb. 11, 2016].

16 (1) The chief of the office of internal audit [and program integrity](#), or its successor, who  
17 shall be the administrative head of the office of internal audit [and program integrity](#), or its  
18 successor, shall supervise, coordinate, and/or conduct audits, civil and administrative  
19 investigations, and inspections or oversight reviews, when necessary, relating to programs and  
20 operations listed in § 42-13-2.

21 (2) The office of internal audit ~~s~~ [and program integrity's](#) (or its successor's) authorization  
22 shall include, but not be limited to, evaluating the efficiency of operations and internal controls,  
23 preventing and detecting fraud, waste, abuse or mismanagement in the expenditure of public  
24 funds, whether state, federal or those revenues collected by the use of tolls and related to any and  
25 all transportation-related programs and operations as well as the procurement of any supplies,  
26 services, or construction, by the department of transportation or related institutions of the  
27 department of transportation. Investigations may include the expenditures by nongovernmental  
28 agencies of federal, state, and local public funds. As deemed necessary or expedient by the office  
29 of internal audit [and program integrity](#), or its successor, audits may be made relative to the  
30 financial affairs or the economy and efficiency of management of the department of  
31 transportation or related institutions.

32 SECTION 19. Section 42-64-38 of the General Laws in Chapter 42-64 entitled "Rhode  
33 Island Commerce Corporation" is hereby amended to read as follows:

34 **42-64-38. Audit of the corporation.**

1 (a) Commencing July 1, 2014, and every five (5) years thereafter, the corporation shall be  
2 subject to a performance audit, conducted in compliance with the generally accepted governmental  
3 auditing standards, by the office of internal audit [and program integrity](#) or a certified public  
4 accounting firm qualified in performance audits.

5 (b) If the audit is not directly performed by his or her office, the selection of the auditor  
6 and the scope of the audit shall be subject to the approval of the chief of the office of internal audit  
7 [and program integrity](#).

8 (c) The audit shall be conducted in conformance with § 35-7-3(b) through (d) [repealed].

9 (d) The results of the audit shall be made public upon completion, posted on the websites  
10 of the office of internal audit [and program integrity](#) and the corporation.

11 (e) The corporation shall be responsible for all costs associated with the audit.

12 SECTION 20. Sections 42-140-3, 42-140-7 and 42-140-8 of the General Laws in Chapter  
13 42-140 entitled "Rhode Island Energy Resources Act" are hereby amended to read as follows:

14 **42-140-3. Purposes.**

15 The purposes of the office shall be to:

16 (1) Develop and put into effect plans and programs to promote, encourage, and assist the  
17 provision of energy resources for Rhode Island in a manner that enhances economic well-being,  
18 social equity, and environmental quality;

19 (2) Monitor, forecast, and report on energy use, energy prices, and energy demand and  
20 supply forecasts, and make findings and recommendations with regard to energy supply diversity,  
21 reliability, and procurement, including least-cost procurement;

22 (3) Develop and to put into effect plans and programs to promote, encourage and assist  
23 the efficient and productive use of energy resources in Rhode Island, and to coordinate energy  
24 programs for natural gas, electricity, and heating oil to maximize the aggregate benefits of  
25 conservation and efficiency of investments;

26 (4) Monitor and report technological developments that may result in new and/or  
27 improved sources of energy supply, increased energy efficiency, and reduced environmental  
28 impacts from energy supply, transmission, and distribution;

29 (5) Administer the programs, duties, and responsibilities heretofore exercised by the state  
30 energy office, except as these may be assigned by executive order or the general laws to other  
31 departments and agencies of state government;

32 (6) Develop, recommend and, as appropriate, implement integrated and/or comprehensive  
33 strategies, including at regional and federal levels, to secure Rhode Island's interest in energy  
34 resources, their supply and efficient use, and as necessary to interact with persons, private sector,



1 nonprofit, regional, federal entities and departments and agencies of other states to effectuate this  
2 purpose;

3 (7) Cooperate with agencies, departments, corporations, and entities of the state and of  
4 political subdivisions of the state in achieving its purposes;

5 (8) Cooperate with and assist the state planning council and the division of state planning  
6 in developing, maintaining, and implementing state guide plan elements pertaining to energy and  
7 renewable energy;

8 (9) Coordinate the energy efficiency, ~~renewable energy~~, least cost procurement, and  
9 systems reliability plans and programs with the energy efficiency resource management council;  
10 ~~and the renewable energy coordinating board;~~

11 (10) Participate in, monitor implementation of, and provide technical assistance for the  
12 low-income home energy assistance program enhancement plan established pursuant to § 39-1-  
13 27.12;

14 (11) Participate in and monitor the distributed generation standard contracts program  
15 pursuant to chapter 26.2 of title 39;

16 (12) Coordinate opportunities with and enter into contracts and/or agreements with the  
17 commerce corporation associated with the energy efficiency, least-cost procurement, system  
18 reliability, and renewable energy fund programs;

19 (13) Provide support and information to the division of planning and the state planning  
20 council in development of a ten-year (10) Rhode Island Energy Guide Plan, which shall be  
21 reviewed and amended if necessary every five (5) years;

22 ~~(14) Provide funding support if necessary to the renewable energy coordinating board  
23 and/or the advisory council to carry out the objectives pursuant to chapter 140.3 of this title  
24 [repealed];~~

25 ~~(15)~~ Advise and provide technical assistance to state and federally funded energy  
26 program to support:

27 (i) The federal low-income home energy assistance program which provides heating  
28 assistance to eligible low-income persons and any state funded or privately funded heating  
29 assistance program of a similar nature assigned to it for administration;

30 (ii) The weatherization assistance program which offers home weatherization grants and  
31 heating system upgrades to eligible persons of low-income;

32 (iii) The emergency fuel program which provides oil deliveries to families experiencing a  
33 heating emergency;

34 (iv) The energy conservation program, which offers service and programs to all sectors;

1 and

2 (v) [Deleted by P.L. 2008, ch. 228, § 2, and P.L. 2008, ch. 422, § 2.]

3 ~~(16)~~ (15) Advise the commerce corporation in the development of standards and rules for  
4 the solicitation and award of renewable energy program investment funds in accordance with §  
5 42-64-13.2;

6 ~~(17)~~ (16) Develop, recommend, and evaluate energy programs for state facilities and  
7 operations in order to achieve and demonstrate the benefits of energy-efficiency, diversification  
8 of energy supplies, energy conservation, and demand management; and

9 ~~(18)~~ (17) Advise the governor and the general assembly with regard to energy resources  
10 and all matters relevant to achieving the purposes of the office.

11 **42-140-7. Conduct of activities.**

12 ~~(a)~~ To the extent reasonable and practical, the conduct of activities under the provisions  
13 of this chapter shall be open and inclusive. ~~the commissioner and the council shall seek in~~  
14 ~~addressing the purposes of the office to involve the research and analytic capacities of institutions~~  
15 ~~of higher education within the state, industry, advocacy groups, and regional entities, and shall~~  
16 ~~seek input from stakeholders including, but not limited to, residential and commercial energy~~  
17 ~~users.~~

18 ~~(b) The commissioner shall transmit any unencumbered funds from the renewable energy~~  
19 ~~program under chapter 2 of title 39 to the commerce corporation to be administered in accordance~~  
20 ~~with the provisions of § 39-2-1.2.~~

21 **42-140-8. Annual report.**

22 The commissioner shall report annually, on or before ~~June 30~~ ~~March 1~~ of each year, to  
23 the governor, the president of the senate, and the speaker of the house with regard to the status of  
24 energy supplies, markets, and conditions, the effectiveness of energy programs, and the activities  
25 of the office. ~~including the council, and such other matters related to energy as the commissioner~~  
26 ~~or the council may deem appropriate.~~

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

29 **42-155-7. Audit of quasi-public corporations.**

30 (a) Commencing January 1, 2015, and every five (5) years thereafter, each quasi-public  
31 corporation shall be subject to a performance audit, conducted in compliance with the generally  
32 acceptable governmental auditing standards or the standards for the professional practice of  
33 internal auditing, by the chief of the office of internal audit and program integrity. The chief, in  
34 collaboration with the quasi-public corporation, shall determine the scope of the audit. To assist

1 in the performance of an audit, the chief, in collaboration with the quasi-public corporation, may  
2 procure the services of a certified public accounting firm, which shall be a subcontractor of the  
3 office of internal audit [and program integrity](#), and shall be under the direct supervision of the  
4 office of internal audit [and program integrity](#). The chief of the office of internal audit [and](#)  
5 [program integrity](#) shall establish a rotating schedule identifying the year in which each quasi-  
6 public corporation shall be audited. The schedule shall be posted on the website of the office of  
7 internal audit [and program integrity](#).

8 (b) The audit shall be conducted in conformance with chapter 7 of title 35 ("Post Audit of  
9 Accounts").

10 (c) Each quasi-public corporation shall be responsible for costs associated with its own  
11 audit. The chief and each quasi-public corporation shall agree upon reasonable costs for the audit,  
12 not to exceed seventy-five thousand dollars (\$75,000), that shall be remitted to the office of  
13 internal audit [and program integrity](#).

14 (d) The results of the audit shall be made public upon completion and posted on the  
15 websites of the office of internal audit [and program integrity](#) and the quasi-public corporation.

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

20 SECTION 22. Section 42-157-6 of the General Laws in Chapter 42-157 entitled "Rhode  
21 Island Health Benefit Exchange" is hereby amended to read as follows:

22 **42-157-6. Audit.**

23 (a) Annually, the exchange shall cause to have a financial and/or performance audit of its  
24 functions and operations performed in compliance with the generally accepted governmental  
25 auditing standards and conducted by the state office of internal audit [and program integrity](#) or a  
26 certified public accounting firm qualified in performance audits.

27 (b) If the audit is not directly performed by the state office of internal audit [and program](#)  
28 [integrity](#), the selection of the auditor and the scope of the audit shall be subject to the approval of  
29 the state office of internal audit [and program integrity](#).

30 (c) The results of the audit shall be made public upon completion, posted on the  
31 department's website and otherwise made available for public inspection.

32 SECTION 23. The title of Chapter 42-165 of the General Laws entitled "Rhode Island  
33 Longitudinal Data Systems Act" is hereby amended to read as follows:

34 ~~CHAPTER 42-165~~

CHAPTER 42-165

RHODE ISLAND INTEGRATED DATA SYSTEMS ACT

SECTION 24. Sections 42-165-1, 42-165-2, 42-165-3, 42-165-4, 42-165-5, 42-165-6, 42-165-7 of the General Laws in Chapter 42-165 entitled "Rhode Island Integrated Data Systems Act" are hereby amended to read as follows:

**42-165-1. Rhode Island longitudinal data system act.**

This chapter shall be known and may be cited as the "Rhode Island ~~Longitudinal~~ Integrated Data System Act."

**42-165-2. Findings.**

(a) Purpose. The Rhode Island ~~Longitudinal-Integrated~~ Data System (~~RILDS~~RIIDS) "DATA RI" is Rhode Island's statewide ~~longitudinal~~ integrated data system that integrates and links individual or unit-level data. The purpose of the ~~RILDS~~RIIDS is to connect federated data across sectors and over time to support research aligned with the state's priorities; inform policymaking and program evaluation; and improve the well-being of all Rhode Islanders.

(b) The general assembly finds and declares that:

(1) The state is committed to maintaining a longitudinal data system that the public, researchers, and policymakers can use to analyze and assess Rhode Islanders' aggregate progress from early learning programs through postsecondary education and into employment; and

(2) A national collaborative effort among federal and state policymakers, state officials, and national education organizations has defined the essential components of a statewide longitudinal data system; and

(3) The RI Longitudinal Data System (RILDS)~~DataHUB~~ is the state education and workforce longitudinal data system, aligned to the U.S. Department of Education's Statewide Longitudinal Data System (SLDS) grant program and the U.S. Department of Labor's Workforce Data Quality Initiative grant program.

(4) The Ecosystem is the state's health and human services integrated data system focused on improving the outcomes of these related programs and starting from the base of the Medicaid program.

(5) The Ecosystem, the RILDS and individual programs can be connected in a federated manner that enables programs to retain control of their data but also allows secure sharing of data when there is an approved data analysis project.

(6) Unified governance across the Ecosystem and RILDS will allow more efficient and secure operation of the state's data infrastructure.

1 42-165-3. Definitions.

2 For the purpose of this chapter, the following terms shall have the following meanings  
3 unless the context clearly requires otherwise:

4 (1) “Participating agency” means the Rhode Island department of education, the office of  
5 the postsecondary commissioner, the Rhode Island department of labor and training, executive  
6 office of health and human services, and any agency that has executed a memorandum of  
7 understanding for recurring participation in the Rhode Island ~~longitudinal~~integrated data system.

8 (2) “Rhode Island Longitudinal Data System” (RILDS) formerly known as the RI  
9 DataHUB operated by DataSpark, is the current statewide longitudinal data system ~~and will~~  
10 ~~be~~located for budgetary purposes in the office of the postsecondary commissioner.

11 (3) “The Ecosystem” is the executive office of health and human services integrated data  
12 system. ~~“Rhode Island Longitudinal Data System Center” (Center) is comprised of the current~~  
13 ~~entity known as DataSpark and whatever other resources as necessary to accomplish the powers~~  
14 ~~and duties prescribed herein.~~

15 (4) “State and federal privacy laws” means all applicable state and federal privacy laws and  
16 accompanying regulations, including but not limited to the federal Family Educational Rights and  
17 Privacy Act and its accompanying regulations (“FERPA”), Health Insurance Portability and  
18 Accountability Act (“HIPAA”), R.I. Gen. Laws § 28-42-38, 20 C.F.R. § 603.1 et seq., and any  
19 other privacy measures that apply to the personally identifiable information that is used by the  
20 center and/or becomes part of the RILDS, the Ecosystem or RIIDS hereunder.

21 (5) ~~“Statewide Rhode Island~~ integrated data system” ~~or “integrated data system”~~ or  
22 “RIIDS” means ~~an~~ the state individual-, family- or unit-level data system that links and integrates  
23 records from state datasets from all major education, economic, health, human service, labor, and  
24 public safety programs including the RILDS, the Ecosystem and any other data repositories  
25 accepted by the RIIDS governing board.

26 (6) “Statewide longitudinal data system” or “longitudinal data system” or “SLDS” means  
27 an individual- or unit-level data system that links and integrates records from state datasets  
28 including but not limited to early childhood and prekindergarten, through elementary, secondary,  
29 and postsecondary education, and into the workforce from participating agencies and entities.

30 42-165-4. Creation.

31 (a) The ~~RILDS-RIIDS~~ “DATA RI” is hereby established ~~within the office of the~~  
32 ~~postsecondary commissioner~~ and is granted and authorized to use all the powers set forth in this  
33 chapter.

34 (b) Functions. The ~~RILDS-RIIDS~~ “DATA RI” shall:

1 (1) Transmit, store, enable access to, permit the use, and dispose of linked data and  
2 information in accordance with the National Institute of Standards and Technology (NIST)  
3 Cybersecurity Framework and associated NIST 800-53 security controls commensurate with data  
4 sensitivity level and in accordance with all applicable state and privacy laws and state security  
5 policies;

6 (2) Serve as a central repository of the state’s inter-agency, longitudinal, linked and  
7 individual data;

8 (3) Enable the integration, linkage, and management of information;

9 (4) Report on and provide public access to aggregate data to, among other things, address  
10 inequities in access, opportunities, and outcomes and improve student and educator decision-  
11 making;

12 (5) Provide clarity to university and other researchers on the process to request data and  
13 what data is available to request; and

14 (6) Nothing in this chapter shall negate or otherwise adversely affect the validity and legal  
15 enforceability of any existing data sharing and/or research agreements executed between and  
16 among the state’s participating agencies and the state’s ~~statewide longitudinal data system~~ RILDS  
17 or Ecosystem.

18 **42-165-5. Governing board.**

19 (a) Composition of board. The ~~RILDS-RIIDS~~ “DATA RI” will be governed by the Rhode  
20 Island ~~longitudinal~~ Integrated data system governing board (the board).

21 (1) The board shall be composed of:

22 (i) The director of the department of administration or designee ~~who serves as one co-chair;~~

23 (ii) The directors of any participating agencies as described in § 42-165-3 and § 42-165-6,  
24 or their designee;

25 (iii) The director of the office of management and budget or designee;

26 (iv) The chief digital officer or designee;

27 (v) The director of the center, as set forth in § 42-165-7;

28 (vi) The secretary of health and human services or designee who serves as one co-chair;

29 and

30 (vii) The commissioner of postsecondary education or designee who serves as one co-chair.

31 (2) The board shall be overseen by two co-chairs. ~~As The~~ co-chairs, ~~the director of~~  
32 ~~administration or designee~~ shall be responsible for overseeing and directing the policy duties and  
33 responsibilities of the board. ~~The other co chair shall be the commissioner of postsecondary~~  
34 ~~education who shall be responsible for~~ and overseeing, supervising, and directing the operational

1 duties of the center and its personnel.

2 (b) Powers and duties. The board shall:

3 (1) In consultation with the center and Ecosystem, and in accordance with federal and state  
4 privacy law, approve policies regarding how data requests from state and local agencies, the Rhode  
5 Island general assembly, universities, third-party researchers, and the public will be managed;

6 (2) In consultation with the center and the Ecosystem, approve policies regarding the  
7 publishing of reports and other information that should be available to public stakeholders;

8 (3) Approve standards implemented by the center and Ecosystem for the security, privacy,  
9 access to, and confidentiality of data, including policies to comply with the Family Educational  
10 Rights and Privacy Act, Health Insurance Portability and Accountability Act, R.I. Gen. Laws § 28-  
11 42-38, 20 C.F.R. § 603.1 et seq., and any other privacy measures, as required by law, state policy,  
12 or the board;

13 (4) Perform other functions that are necessary to ensure the successful continuation,  
14 management, and expansion of the ~~RILDS~~RIIDS;

15 (5) Establish a data governance committee to work with the center and Ecosystem on an  
16 ongoing basis to among other responsibilities, approve data requests;

17 (6) Oversee and collaborate with the data governance committee, the Ecosystem and the  
18 center as set forth in § 42-165-7; ~~and~~

19 (7) Serve as the single governing board for the RILDS and the Ecosystem;

20 (8) Set the strategic direction for RIIDS to ensure it:

21 (i) Improves transparency and public accessibility of data, including increasing the  
22 availability of dashboards, plain language summaries; public data catalogs of research and reports;

23 (ii) Enhances data availability for internal state use, ensuring data is accessible to state  
24 analysts to conduct broad analysis of state programs, thereby improving the State's understanding  
25 of the operation and impact of its programs; and

26 (iii) improves data availability for external researchers. Data shall be made available to  
27 researchers to the greatest extent possible limited to allow evidence-based improvements to state  
28 programs; and

29 ~~(7) By November 1, 2023, provide a plan to the governor, the house, and the senate on how~~  
30 ~~to establish a statewide integrated data system. The plan should consider elements such as:~~

31 ~~(i) The role an IDS can play in improving the operation of programs; reducing fraud, waste,~~  
32 ~~and abuse; and establishing a state culture of program evaluation;~~

33 ~~(ii) Providing state agencies with evaluation services and providing state analysts access~~  
34 ~~to data based on their role;~~

- ~~(iii) Providing researchers with access to state data;~~
- ~~(iv) The importance of data privacy and security;~~
- ~~(v) The importance of public transparency and the role of the state transparency portal;~~
- ~~(vi) The creation of a state chief data officer;~~
- ~~(vii) Sustainable funding and governance for the IDS;~~
- ~~(viii) The role of data federation; and~~
- ~~(ix) The timeline for implementing the IDS.~~

(9) The center or the Ecosystem is considered to be an agent of the executive state agency sharing government information for a particular data project and is an authorized receiver of government information under the statutory or administrative law that governs the government information. Interagency data sharing under this chapter does not constitute a disclosure or release under any statutory or administrative law that governs the government information.

**42-165-6. Participating agencies.**

(a) Participating agencies shall transfer data, as applicable, to the RILDS in accordance with the data security policies as approved by the board, and pursuant to the requirements of state and federal privacy laws and policies.

(b) Any agencies providing data on a recurring basis to the RILDS shall provide a representative to the board and be governed in the same manner as the initial agencies and entities and shall be subject to applicable board policies.

(c) All Rhode Island state agencies shall:

(1) Participate in the RIIDS to the extent practical;

(2) Identify datasets of greatest value for policy analysis efforts and investigate the feasibility of making them available for the federated data system and other internal policy analysis efforts; and

(3) Share data to the greatest extent possible as practical and permissible under law.

**42-165-7. The Rhode Island longitudinal data system center.**

(a) Purpose. The purpose of the center is to manage and operate the RILDS and conduct research and evaluate programs regarding federal, state, and local programs and policies. The center shall be managed by an executive director (hereafter the “director”) responsible for the daily management and operations of the center. The director will also be responsible for interfacing and collaborating between the board and the data governance committee, as well as external communications and agreements. The director shall be a non-classified employee of the council on postsecondary education under the supervision of and subject to the authority of the commissioner of postsecondary education.



1 (b) Powers and duties. The duties of the center shall be to:

2 (1) Act as an authorized representative, research partner, and business associate of the  
3 state's agencies, including those responsible for education and workforce, under and in accordance  
4 with the requirements of applicable federal and state statutes and/or state and federal privacy laws  
5 and state security policies;

6 (2) Enter into memoranda of understanding with state agencies, nonprofits, universities,  
7 subnational governments, and other entities for the purposes of data sharing and analysis;

8 (3) Coordinate with participating agencies and other entities to ensure the integrity and  
9 quality of data being collected, including implementing the data quality and metadata policies  
10 approved by the board;

11 (4) Advance research and allow policymakers to explore critical research policy questions  
12 and to measure investments in education and workforce development;

13 (5) In consultation with the board, identify the state's critical research and policy questions;

14 (6) Provide analysis and reports that assist with evaluating programs and measuring  
15 investments, subject to the policies approved by the board;

16 (7) Implement policies and procedures approved by the board that govern the security,  
17 privacy, access to, and confidentiality of the data, in accordance with relevant federal and state  
18 privacy laws;

19 (8) Ensure that information contained in and available through the RILDS is kept secure,  
20 and that individual privacy is protected, and maintain insurance coverage;

21 (9) Respond to approved research data requests in accordance with the policies and  
22 procedures approved by the board;

23 (10) Enter into contracts or other agreements with appropriate entities, including but not  
24 limited to universities, and federal, state, and local agencies, to the extent necessary to carry out its  
25 duties and responsibilities only if such contracts or agreements incorporate adequate protections  
26 with respect to the privacy and security of any information to be shared, and are approved, in  
27 writing, by the applicable agency whose data or information is to be shared, and are allowable  
28 under applicable state and federal privacy laws; and

29 (11) Maintain staff necessary to carry out the above duties as provided for in the state  
30 budget. Staff at the center shall be non-classified employees of the council on postsecondary  
31 education, under the supervision of and subject to the authority of the commissioner of  
32 postsecondary education. The non-SLDS activity of the center shall also be under the supervision  
33 and authority of the commissioner of postsecondary education and the council on postsecondary  
34 education. The council on postsecondary education, its office of the postsecondary commissioner,

1 and its employees shall be included under the limitation of damages for tort liability for the State  
2 set out in § 9-31-1 et seq., for all actions involving the center regarding the RILDS and/or SLDS  
3 and for any other activity of the center regarding its receipt, storage, sharing, and transmission of  
4 data as part of its non-SLDS operations and activities.

5 (12) The council on postsecondary education shall be the employer of public record for the  
6 Center.

7 (c) Funding. Appropriations made pursuant to this chapter shall be used exclusively for the  
8 development and operation of RILDS, [RIIDS or the Ecosystem](#).

9 (1) The board and the center may implement a data request fee policy to compensate for  
10 excessive use of the data system, to recover costs that would otherwise typically be borne by the  
11 requesting data researcher, or both. A data request fee policy implemented pursuant to this section  
12 shall be reviewed and approved by the board, revised periodically, and made publicly available and  
13 posted in a prominent location on the ~~RILDS's~~ [RIIDS's](#) internet website.

14 (2) The center may receive funding for its operation of the RILDS from the following  
15 sources:

16 (i) State appropriations;

17 (ii) Federal grants;

18 (iii) User fees; and

19 (iv) Any other grants or contributions from public agencies or other entities.

20 (3) There is hereby established a restricted receipt account in the general fund of the state  
21 and housed in the budget of the office of postsecondary commissioner entitled "longitudinal data  
22 system — non-federal grants." The express purpose of this account is to record receipts and  
23 expenditures of the program herein described and established within this chapter.

24 SECTION 25. Section 44-1-14 of the General Laws in Chapter 44-1 entitled "State Tax  
25 Officials" is hereby amended to read as follows:

26 **44-1-14. Disclosure of information to tax officials of federal government or other  
27 states, or to other persons.**

28 Notwithstanding any other provision of law:

29 (1) The tax administrator may make available: (i) To the taxing officials of any other states  
30 or of the federal government for tax purposes only, any information that the administrator may  
31 consider proper contained in tax reports or returns or any audit or the report of any investigation  
32 made with respect to them, filed pursuant to the tax laws of this state; provided, that other states or  
33 the federal government grant like privileges to the taxing officials of this state; and/or (ii) To an  
34 officer or employee of the office of internal audit [and program integrity](#) of the Rhode Island

1 department of administration, any information that the administrator may consider proper contained  
2 in tax reports or returns or any audit or the report of any investigation made with respect to them,  
3 filed pursuant to the tax laws of this state, to whom disclosure is necessary for the purposes of fraud  
4 detection and prevention in any state or federal program.

5 (2) The tax administrator shall not permit any federal return or federal return information  
6 to be inspected by, or disclosed to, an individual who is the chief executive officer of the state or  
7 any person other than:

8 (i) To another employee of the tax division for the purpose of, and only to the extent  
9 necessary in, the administration of the state tax laws for which the tax division is responsible;

10 (ii) To another officer or employee of the state to whom the disclosure is necessary in  
11 connection with processing, storage, and transmission of those returns and return information and  
12 solely for purposes of state tax administration;

13 (iii) To another person for the purpose of, but only to the extent necessary in, the  
14 programming, maintenance, repair, testing, and procurement of equipment used in processing or  
15 transmission of those returns and return information; or

16 (iv) To a legal representative of the tax division, personally and directly engaged in, and  
17 solely for use in, preparation for a civil or criminal proceeding (or investigation which may result  
18 in a proceeding) before a state administrative body, grand jury, or court in a matter involving state  
19 tax administration, but only if:

20 (A) The taxpayer is or may be a party to the proceeding;

21 (B) The treatment of an item reflected on the return is or may be related to the resolution  
22 of an issue in the proceeding or investigation; or

23 (C) The return or return information relates, or may relate, to a transactional relationship  
24 between a person who is or may be a party to the proceeding and the taxpayer that affects or may  
25 affect the resolution of an issue in a proceeding or investigation.

26 SECTION 26. This article shall take effect upon passage, except Section 6 and Section 14,  
27 which shall take effect on January 1, 2026.